Financial Statement and Budget (East India)

1917-18 & 1918-19

00134393

BOMBAY BRANCH

OF THE

ROYAL ASIATIC SOCIETY.

TOWN HALL, BOMBAY.

Digitized with financial assistance from

Government of Maharashtra

on 01 February, 2020

$\frac{26}{27}$

$\frac{}{13}$

EAST INDIA
(FINANCIAL STATEMENT AND BUDGET).

COPY

OF THE

INDIAN FINANCIAL STATEMENT AND BUDGET

FOR 1917–18,

AND

DISCUSSIONS THEREON IN THE LEGISLATIVE COUNCIL OF THE GOVERNOR-GENERAL.

Ordered, by The House of Commons, *to be Printed,*

19 *June* 1917.

LONDON
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased through any Bookseller or directly from
H.M. STATIONERY OFFICE at the following addresses:
Imperial House, Kingsway, London, W.C. 2, and 28, Abingdon Street, London, S.W. 1;
37, Peter Street, Manchester; 1, St. Andrew's Crescent, Cardiff;
23, Forth Street, Edinburgh;
or from E. PONSONBY, Ltd., 116, Grafton Street, Dublin;
or from the Agencies in the British Colonies and Dependencies,
the United States of America and other Foreign Countries of
T. FISHER UNWIN, Ltd., London, W.C. 2.

1917.
PRINTED IN INDIA.

Price 3*s.* 4*d.* *Net.*

00134393

EAST INDIA (FINANCIAL STATEMENT AND BUDGET).

RETURN to an Address of the Honourable The House of Commons, dated 15 June 1917 ;—*for*,

"RETURN of the INDIAN FINANCIAL STATEMENT and BUDGET for 1917-18, and Discussions thereon in the Legislative Council of the Governor-General (in continuation of Parliamentary Paper No. 80 of Session 1916).

India Office,
18 June 1917.

T. W. HOLDERNESS,
Under Secretary of State for India.

(*Colonel Yate.*)

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY.

Ordered, by The House of Commons, *to be Printed*, 19 *June* 1917.

LONDON:
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased through any Bookseller or directly from
H.M. STATIONERY OFFICE at the following addresses:
IMPERIAL HOUSE, KINGSWAY, LONDON, W.C. 2, and 28, ABINGDON STREET, LONDON, S.W. 1;
37, PETER STREET, MANCHESTER; 1, ST. ANDREW'S CRESCENT, CARDIFF;
23, FORTH STREET, EDINBURGH;
or from E. PONSONBY, LTD., 116, GRAFTON STREET, DUBLIN;
or from the Agencies in the British Colonies and Dependencies,
the United States of America and other Foreign Countries of
T. FISHER UNWIN, LTD., LONDON, W.C. 2.

1917.

PRINTED IN INDIA.

94 *Price* 3*s.* 4*d.* *Net.*

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

FINANCIAL STATEMENT AND BUDGET

FOR

1917-1918.

CONTENTS.

	PAGE.	PARA.
Speech of the Honourable Finance Member presenting the Financial Statement for 1917-1918	1	1—135
Introductory	1	1—5
Change in forms of account	2	6
Revised Estimate of Revenue and Expenditure for 1916-17	3	7—18
Revised Estimate for 1916-17—Ways and Means and Secretary of State's drawings	7	19—25
Remittances to the Secretary of State, and their bearing on exchange	9	26—37
India's financial contribution to the War	12	38—50
Budget Estimate of Revenue and Expenditure for 1917-18	16	51—71
Ways and Means Estimate for 1917-18	22	72—75
Our War Loan Arrangements	23	76—94
Paper Currency and Gold Standard Reserves	28	95—97
Remarks on certain special heads	29	98—133
A.—Military Services	29	99—103
B.—Famine Relief	30	104—110
C.—Expenditure from special grants for Education, Sanitation, etc.)	32	111—112
D.—Financial position and powers of Local Governments	32	113—118
E.—Railways (Capital outlay)	34	119—124
F.—Irrigation (Capital outlay)	36	125—132
G.—Delhi Expenditure (Capital outlay)	37	133
Conclusion	38	134—135
Financial Statement, 1917-18—		
I.—General Statement of the Revenue and Expenditure charged to Revenue of the Government of India, in India and in England	40	...
II.—General Statement of the Receipts and Disbursements of the Government of India, in India and in England	42	...
A.—Statement of the Revenue of India, in India and in England	44	...
B.—Statement of the Expenditure charged to the Revenues of India, in India and in England	46	...
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England	50	...
D.—Statement of Revenue, Expenditure and Balances of Provincial Governments	54	...
E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England	55	...

	PAGE.	PARA.
Bill further to amend the Indian Tariff Act, 1894	57	
Bill further to amend the Indian Income-tax Act, 1886	58	
Bill to impose a tax on income in addition to that imposed by the Indian Income-tax Act, 1886	59	
Act further to amend the Indian Tariff Act, 1894	64	
Act further to amend the Indian Income-tax Act, 1886	65	
Act to impose a tax on income in addition to that imposed by the Indian Income-tax Act, 1886	65	
Proceedings of the meeting of the Imperial Legislative Council held on 1st March 1917	68	
Proceedings of the meeting of the Imperial Legislative Council held on 7th March 1917	75	
Bill to impose a tax on goods carried by railway or inland steam-vessel	105	
Proceedings of the meeting of the Imperial Legislative Council held on 10th March 1917.	107	
Proceedings of the meeting of the Imperial Legislative Council held on 12th March 1917	133	
Proceedings of the meeting of the Imperial Legislative Council held on 20th March 1917	141	
Act to impose a tax on goods carried by railway or inland steam-vessel	142	
Speech of the Honourable Finance Member introducing the Budget for 1917-1918	145	
Budget, 1917-18—		
I.—General Statement of the Revenue and Expenditure charged to Revenue of the Government of India, in India and in England	150	
II.—General Statement of the Receipts and Disbursements of the Government of India, in India and in England	152	
A.—Statement of the Revenue of India, in India and in England	154	
B.—Statement of the Expenditure charged to the Revenues of India, in India and in England	156	
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England	160	
D.—Statement of Revenue, Expenditure and Balances of Provincial Governments	164	
E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England	165	...
Memorandum explaining the details of the Estimates—	**167**	...
I and 3.—Land Revenue	169	9
II „ 4.—Opium	172	17
III „ 5.—Salt	174	21
IV „ 6.—Stamps	175	24
V „ 7.—Excise	177	30
VI „ 8.—Provincial Rates	179	35
VII „ 9.—Customs	180	37
VIII „ 10.—Income-Tax	183	41
IX „ 11.—Forest	186	48
X „ 12.—Registration	188	54

Memorandum explaining the de ails of the Estimates—*continued.*

		Page.	Para.
XI.—Tributes		190	60
1.—Refunds and Drawbacks		191	62
2.—Assignments and Compensations		192	66
XII.—Interest Receipts		193	68
13 and 14.—Interest Expenditure		195	74
XIII „ 15.—Posts and Telegraphs		198	79
XV „ 17.—Mint		200	85
18.—General Administration		201	88
XVIA and 19A.—Law and Justice—Courts of Law		203	92
XVIB „ 19B.—Law and Justice—Jails		205	96
XVII „ 20.—Police		207	101
XVIII „ 21.—Ports and Pilotage		209	107
XIX „ 22.—Education		210	109
23.—Ecclesiastical		213	117
XXA and 24A.—Medical		214	118
XXB and 24B.—Sanitation		216	124
25.—Political		219	133
XXIA and 26A.—Agriculture		220	136
XXIB „ 26B.—Scientific and Miscellaneous Departments		222	140
27.—Territorial and Political Pensions		225	146
28.—Civil Furlough and Absentee Allowances		226	147
XXII and 29.—Superannuation		227	149
XXIII „ 30.—Stationery and Printing		229	154
XXIV „ 31.—Exchange		231	157
XXV „ 32.—Miscellaneous		232	159
33 to 36.—Famine Relief and Insurance		235	168
XXVI to XXVIII and 38 to 41	Railway Revenue Account	237	175
XXIX—XXX and 42 to 43	Irrigation	240	186
	Major Works	241	188
	Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	243	195
	Minor Works and Navigation	244	196
44.—Construction of Railways charged to Provincial Revenues.		246	202
XXXI and 45.—Civil Works		247	203
XXXII „ 46.—Army		251	217
XXXIII „ 46A.—Marine		254	224
XXXIV „ 47.—Military Works		255	226
47A.—Special Defences		256	228
Military Services—Summary		257	231
Transfers between Imperial and Provincial		258	233
Capital Expenditure on Railways, Irrigation and other Works not charged to Revenue—			
	Railway Construction	262	246
	Construction of Productive Irrigation Works	265	250
	Initial Outlay on the New Capital at Delhi	267	254
Ways and Means—			
	Home Treasury	268	257
	India	274	276
Appendices		279	...
Proceedings of the meeting of the Imperial Legislative Council held on 23rd March 1917		327	...

SPEECH OF THE HONOURABLE FINANCE MEMBER

INTRODUCING THE

FINANCIAL STATEMENT FOR 1917-18.

Introductory.

My Lord,

I rise to present the Financial Statement for 1917-18. As usual there will be no debate to-day; and before we discuss the Financial Statement itself it will be necessary to proceed with some urgent legislation which I shall presently have to introduce. We shall, however, begin the discussion stage on the 7th March. The figures in the Financial Statement will subsequently undergo such amendments as may be required by our later information or suggested by the discussions in Council. The Budget in its final form will be presented on the 21st March, the usual closing debate taking place on the 23rd.

2. We must assume for Budget purposes that the war will continue throughout the coming year. This, of course, affects us prejudicially in many ways, some of which I shall have to refer to in detail later on; while as regards our estimates, I must repeat what I said last year, that the difficulties in framing accurate forecasts are very great in view of constant and unforeseeable changes of circumstances. As I said two years ago, we are really groping in the dark and can only go as carefully as possible.

3. The situation which I have now to describe is complex, though accompanied by many satisfactory features. The general revenue position is excellent, and in particular, our railway receipts have far exceeded the figure estimated in the current year's Budget. Our postal savings bank deposits, instead of declining, as we feared when that Budget was framed, have shown a welcome, though not entirely steady, recovery. Our currency note circulation has enormously expanded. On the other hand, our sea-borne trade, though it has improved in value, has been hampered throughout the year by difficulties of freight; and the altered position in regard to exchange, which has now completely lost the tendency to recurrent weakness shown in the first period of the war, has confronted the commercial community and ourselves with difficulties and problems which probably only the stress of war could have brought about.

4. The satisfactory revenue position is the direct result of an exceptional monsoon. The agricultural outlook at the beginning of the year was unpromising, and there was even distress in some tracts. The south-west monsoon in 1916, however, was abnormally bountiful, and though the winter rains were in marked defect in January, good and useful falls were received in the early part of February almost everywhere except in the Punjab and the North-West Frontier Province. Thus over India generally the prospects of crops, other than wheat, are exceptionally good, except in limited areas in Assam, Bengal, Bihar and Orissa and Madras, where some damage has been sustained from excessive rain or storms. The wheat crop is suffering in unirrigated areas, especially in the Punjab. That province, however, received unusually heavy rainfall in the early part of October, and is thus in a better position to withstand the cold-weather failure.

5. Our trade conditions are still governed by the depressing effects of the war to which I referred in my last year's speech, notably scanty and dear freight, and restrictions which it has been necessary to impose on exports and imports with reference

(12272—3.) Wt. 19376—291. 750. 8/17. D & S. G. 1. A

to military and political considerations: also, of course, the stoppage of commercial intercourse with enemy countries and tracts under hostile occupation. In his Trade Review for 1915-16 the Director of Statistics brought out the fact that, comparing the calendar year 1915 with its predecessor, the larger portion of which was under peace conditions, the relative falling-off under imports was larger in India than in any other country affected by the war except Russia; while our exports also showed a material decrease, as against a large expansion in the case of Canada, Japan and Egypt, to take only countries within the belligerent sphere. There was, however, some recovery in the closing months of the official year 1915-16, and the total sea-borne trade of India for that year was much the same as in 1914-15 (£238 million against £236 million), whereas in 1913-14, when it reached the highest point hitherto attained, it amounted to £327 million.

Taking the current official year so far as figures are available, *i.e.*, to the end of December, there has been a considerable improvement over the corresponding period in 1915-16, exports of private merchandise, including re-exports, being about 34 crores better and imports about 15 crores higher, while the total balance of trade, after taking into account net private imports of treasure, may be roughly put at 58 crores in favour of India. It may be said indeed that our trade transactions are now once more reaching the figures which prevailed just before the war. It must be remembered, however, that this is due in considerable part, and especially as regards imports, to a large increase in prices, and that quantities would still show a material decrease. The gap caused by the cessation of trade with enemy countries is being filled by larger trade with the United States, Japan and Russia, and by a material increase in our exports to the United Kingdom.

The chief increases under exports have been in respect of raw cotton and jute manufactures, rice, pulses, seeds, hides and skins, and cotton manufactures. But these have been counterbalanced to some extent by decreases under wheat and tea, the tea exports having been specially retarded by the lack of freight. The increase under imports occurs mainly under cotton manufactures—principally piecegoods, while there are decreases under sugar and railway plant and rolling stock.

We must be prepared, however, for some check to this upward movement owing to restrictions upon imports now found necessary in the United Kingdom, of which the recently announced limitation upon jute and tea imports is an example bearing materially upon our trade and our revenue alike.

As regards the geographical distribution of our trade, roughly speaking the imports from and exports to other portions of the British Empire practically balance each other, and the surplus of India's exports over her imports occurs almost entirely in respect of trade with foreign countries, and most noticeably so in regard to Japan and America. The credits thus due to India in foreign lands, adjusted as they usually are through London, must therefore have been a considerable factor in assisting England's international exchange position.

Change in forms of account.

6. Before I lay before the Council our estimates for the present and the coming years, I must note some changes in the accounts submitted.

(1) As I foreshadowed in my final Budget speech last March, we have split up expenditure head No. 24—Medical into two sub-heads dealing respectively with medical and sanitary outlay, so that it may be easier for the Council to trace the progress of expenditure under sanitation. The same applies to the corresponding receipt head No. XX.

(2) The Secretary of State has decided that the "Estimate of Revenue and Expenditure of the Government of India," which has hitherto been separately laid before Parliament, need no longer be so submitted, and that the figures should be exhibited in connection with our Budget accounts. Accordingly the Financial Secretary's Memorandum has now appended to it a statement of the revenue and expenditure of the Government of India and the Provincial Governments, which gives the information previously supplied in the Parliamentary paper.

Revised Estimate of Revenue and Expenditure for 1916-17.

7. The general position is brought out in the following table,* which compares the current year's Budget and the Revised Estimate now put forward :—

[In millions of pounds.]

—	Budget, 1916-1917.			Revised, 1916-1917.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue	**55·925**	30·603	86·528	**64·803**	31·951	96·754
Expenditure	**55·099**	30·956	86·055	**59·065**	30·390	89·455
Surplus (+) or deficit (—)	**+·826**	—·353	+·473	**+5·738**	+1·561	+7·299

* But see adjustment referred to at the close of paragraph 68 and the final table in paragraph 70.

Revenue and Expenditure—Imperial.

8. As regards Imperial transactions, it will be observed that we are about £9 million better under revenue, but our expenditure has increased by about £4 million, leading as a result to a surplus of £5·7 million against £826,000 estimated in the Budget.

9. Nearly half the expansion of Revenue is due to a phenomenal increase of over £4 million under Railways. The following statement, in millions of pounds, shows gross and net receipts from State Railways for the year 1915-16, and as taken (*a*) in the Budget, and (*b*) in the Revised Estimate, for the current year :—

—	Actuals, 1915–16.	Budget, 1916–17.	Revised, 1916–17.
Gross receipts	38·2	37·6	41·7
Working expenses, including payment of surplus profits to Railway Companies.	20·3	20·7	20·8
Net receipts	17·9	16·9	20·9

In framing the current year's Budget we did not deem it safe to repeat in full the record figure under gross receipts which was then anticipated in 1915-16. As I said in paragraph 24 of my speech introducing the current year's Financial Statement, this head (Railways) " is one under which it is specially necessary to take cautious estimates, since a relatively small percentage of error may lead to a difference in the aggregate sufficient to affect the financial position to a material extent. Even apart from the war and possible further trade restrictions connected therewith, the outlook for 1916-17 is not wholly satisfactory in view of the unfavourable south-west monsoon of the current year (1915-16) and the unsatisfactory winter rains, and we think, after very careful examination, that it is not safe to count on a full repetition of the record railway revenue which we count on obtaining this year."

Fortunately, however, owing to good rains, more favourable trade and economic conditions, and absence of the normal competition from the coasting trade—which has given the railways, for example, so much more coal to carry—the railway receipts, which had shrunk materially in the first year of the war, have continued the upward progress which they subsequently took, and have now reached an unprecedented figure. I may add that a small portion of the additional net railway receipts comes out of our own pocket on the military side, as I shall mention later on.

10. The remaining increase under Revenue occurs chiefly under the following heads :—

(1) *Opium.*—£866,000, due mainly to higher prices realised at our auction sales in Calcutta, and also for medicinal opium sold in England. As I indicated last year, the war has opened up for us a market for medicinal opium which was formerly supplied from Turkey. I may note here that we have concluded an agreement with the Government of the Netherlands Indies, with effect from the 1st January last, similar to those we already have with the Straits Settlements and Hong Kong, under which that Government will now take from us at an agreed fixed price all the opium it requires from India.

These arrangements for the direct supply of opium to other Governments do not, I may add, increase the quantity of opium which we make available for export to the Far East, as a corresponding reduction is made in the amount which we offer for sale at the Calcutta auctions.

(2) *Salt.*—£798,000. Owing to the falling off in the import of salt into Bengal and thence into Bihar and Orissa, by reason mainly of freight difficulties, the demand for salt of local manufacture has extended to areas previously supplied by the imported article. This additional demand has fallen mainly on Punjab salt, and has led to a rise in price, which has been greatly enhanced by speculation in the salt trade, with the result that applications for the clearance of salt, accompanied by payments of duty, have been registered long in advance, and such orders are now booked well into the coming year. This rush of applications was also encouraged by the apprehension of a further increase in the salt duty in connection with the Budget of 1917-18. The result is that we have obtained in 1916-17 a good deal of revenue which properly belongs to 1917-18, and against the large increase this year we shall have to set off a practically equivalent fall in the succeeding twelve months.

(3) *Customs.*—£891,000. This improvement reflects the more favourable trade conditions to which I have already referred, and substantial increases occur under most of the tariff sub-heads, as, for example, sugar, tobacco, chemicals and articles of food and drink. The most important of the improvements, however, are an additional £½ million under manufactured articles, £253,000 under cotton manufactures, and £230,000 under metals and manufactures of metals other than silver. The export duties also share in this general improvement, the jute duty having contributed about £170,000 more than was anticipated in the Budget—in spite of the retrospective exemption of raw jute purchased for His Majesty's Government—and rice an additional £156,000. On the other hand, we have a warning as to the grave influence which war conditions may at any time exert on our import revenues in the decline of £½ million in the duty on private imports of silver, owing to high prices and heavy coinage demands, and difficulties of shipment, and of £100,000 in the imports of petroleum which, again, have been affected both by high prices and freight scarcity.

(4) *Mint.*—£552,000, mainly due to seigniorage on our recent large rupee coinage. This seigniorage is a fixed percentage, deducted from the profits otherwise payable to the Gold Standard Reserve, in order to cover the cost of mint establishments and other coinage charges. There is likewise an increase in the profit on nickel coinage, owing to a rise in the circulation of nickel pieces.

(5) *Posts and Telegraphs.*—£300,000, due to expansion of postal business and increase in the number of field service telegrams.

11. In addition to these large improvements under the Imperial heads, there has been a most satisfactory growth of revenue under those which we share with the Local Governments. We thus obtain an additional £353,000 from *Income Tax*, due mainly to the high profits realised in Bengal and Bombay as the result of war conditions; and £170,000 more under *Excise* and the same amount under *Stamps.*

12. We have also a gain of £338,000 in our gross receipts under *Interest.* As I shall explain later, the peculiar circumstances of the year have led to an increase of the balances which the Secretary of State has had available for temporary investment, and have also entailed very heavy sterling investments on behalf of the Paper

Currency Reserve, and our interest receipts have increased in consequence. In view, however, of these quite exceptional receipts, we propose to provide for the payment of £399,000 towards a special " Paper Currency Reserve Depreciation Fund," and as this payment will be treated from the accounts standpoint as a reduction of receipts, it has the effect of disguising the real improvement obtained, which would otherwise have been as shown above. The circumstances which have led to this proposal are as follows. Our normal Paper Currency Reserve investment, as it stood before the war, included a consols holding of £2⅔ million. The continued retention of this now heavily depreciated security is an unsatisfactory feature in our otherwise strong Paper Currency position. Any sterling investments we hold on behalf of this Reserve should be readily realisable when occasion requires, and such realisation should not involve material loss. Neither condition is satisfied with consols on their present footing. It has accordingly been decided that the consols holding should be gradually replaced by Treasury bills, the Secretary of State selling the former at such times as he may deem advantageous; and he hoped to sell out £250,000 during the current year. But as the consols are shown in the Paper Currency Reserve at their original purchase figure, their sale at present prices would involve a considerable loss on the amount at which they are still valued in our returns. It is accordingly proposed to constitute a depreciation fund, which will progress to the total difference in value between the consols in the Paper Currency Reserve at the date of purchase and what they are likely to realise on sale. This fund will be gradually built up out of interest which we get from the Paper Currency sterling investments; as consols are sold it will make good to the Paper Currency Reserve the difference between the sale price and the original purchase value; and till the assets are so employed they will be invested in Treasury bills. In 1916-17 we expect to get from interest on sterling investments in the Paper Currency Reserve a total sum of £399,000; and in view of our satisfactory financial position this year we propose to pay in the whole of this sum to the new depreciation fund.

13. I have had made for me some interesting, but necessarily rough, calculations as to the extent to which our revenue receipts are due to the taxation imposed last year. The new taxes were estimated in the Budget, on the best information we could then get, to give us £3·6 million. It is now estimated that the actual yield has been about £1,200,000 more than this, of which £200,000 occurs under Salt, £650,000 under Customs, and £350,000 under Income Tax. The increases under the first and last heads, however, are largely due in the one case to considerable advance payment of duty and in the other to abnormal war profits.

14. On the Expenditure side, there is a total increase of about £4 millions over the Budget Estimate, the greater part of which occurs under *Military Services.*

Deducting from the gross military expenditure the amount that we get in the way of receipts, we provided in the Budget for a total net outlay of £22½ million, which included £520,000 kept as a reserve against unforeseen charges. Not only has that reserve been utilised, but the total net military expenditure is now estimated to amount to about £25·4 million, as against £20½ million taken under peace conditions in the Budget for 1914-15. The principal items contributing to this excess are :—

(1) An outlay of £936,000 on additional rifles and ammunition which have to be obtained from Home, and which the War Office had till very lately been unable to spare for us. This represents about two-thirds of our total indent, estimated to cost £1,486,000, and the remaining £550,000 will, it is expected, be spent in 1917-18. These supplies are greatly needed in view of the wear and tear of our existing stock of rifles and the drain on our ammunition supply, and the necessity for adequately arming the large number of new recruits we have had to raise.

(2) Increased outlay in connection with the position on the North-West Frontier (£367,000)—caused mainly by (*a*) training of troops on the frontier and connected movements; (*b*) expansion of animal transport units, and services such as the Supply and Transport and Army Bearer Corps; (*c*) actual operations against tribesmen, and subsidiary expenditure in connection therewith under rations, clothing, stores, *batta*, etc.

(3) Improvement of frontier roads (£200,000).

(4) Increase in ordinary expenditure on imported and local stores, owing to higher prices, etc. (£700,000).

(5) Increased railway charges in India consequent on larger movements of troops and stores (£393,000).

(6) Provision of £160,000 for application, from 1st January 1917, of the concessions announced on that date in regard to free rations to sepoys and larger pay to the higher ranks of the Indian Army. This allows for outlay in providing a necessary reserve of foodstuffs.

(7) Increased outlay in connection with the Aden operations (£137,000) owing mainly to larger supplies of stores.

15. The only other item of increase which calls for special remark on the expenditure side is one of £524,000 under *Political*, due to special political expenditure in Persia, and the Indian share of the cost of military police and levies employed there.

16. On the other hand there is a decrease of £319,000 under *Interest* charges. The Budget estimate contemplated the renewal of £5½ million India Bills which, as explained in paragraph 23 below, it has since been decided to discharge. The provision made for discount on the renewal of the bills is thus saved.

17. The final result, as already stated, is that we obtain a surplus of £5·7 million. The greater part of this must be associated with a quite exceptional south-west monsoon and its consequences; but a substantial portion, as I readily admit—indeed I would rather say claim—is due to our cautious estimating a year ago at a time when the outlook, including military and political as well as trade and seasonal possibilities, demanded extreme caution. We are reminded even now of the latent possibilities in an adverse direction by the fact that our military expenditure and cognate political outlay have increased by nearly £3½ million above the provision which we thought desirable last March, and this notwithstanding the fact that there has been no gravely disturbing change in our general military situation. In addition, as I shall shortly show, there is £1·8 million more of military expenditure against which we obtain no immediate recoveries, and some of which may eventually come against the revenue account.

The necessity for ample resources in the present year and during the twelve months to come will, however, be still more evident to those who study our ways and means position with attention, and thus realise that it is not necessarily on the revenue side that our chief difficulties lie. The money represented by our large surplus has been invaluable in the current year in assisting us in meeting the strain on our balances in India occasioned by the very large payments we have had to make on behalf of His Majesty's Government. The corresponding remittances to England which they ultimately enabled have served the double purpose of contributing to the extinction of our emergency war debt and towards assistance to His Majesty's Government in the prosecution of the war. And finally, as I shall shortly explain more fully, this new element of strength in our revenue position enables us to take up new obligations which we have keenly at heart.

Looking back to the Budget of a year ago I should not admit that our caution then was misplaced, and looking forward to the liabilities of the future I am quite clear, and the Council too will soon perceive, that no portion of the additional revenue which we then took could wisely have been dispensed with.

Revenue and Expenditure—Provincial.

18. We estimated in the Budget that the provinces, in the aggregate, would obtain a revenue of £30·6 million and spend £31 million, leaving a deficit of £400,000—or to be precise, £353,000—which would be made up from their balances. The present figures indicate, speaking roundly, an income of £31·9 million and an expenditure of £30·4 million, thus leading to an aggregate Provincial surplus of about £1·5 million.

All provinces share in this improvement, both in revenue and expenditure. As already indicated, the increase in revenue occurs mainly under the Provincial shares of Stamps, Excise, and Income Tax.

The lapse in expenditure is distributed in small amounts over most of the principal heads, and has been largest in Bombay, Madras, Bengal and Burma. The aggregate Provincial surplus goes of course into our balances to the credit of the provinces concerned.

Revised Estimate for 1916-17—Ways and Means and Secretary of State's drawings.

19. The important Budget figures in this connection were as follows :—

Outlay.	£ million.		*Resources.*	£ million.
Provincial deficit	0·4		From balances	0·6
Capital Expenditure—			Imperial surplus	0·8
Railways	3·0		Rupee borrowing	4·3
Irrigation	0·9	4·2	Unfunded debt	0·3
Delhi	0·3		Special war receipts*	0·4
Discharge of debt	2·0		Miscellaneous items	0·2
TOTAL	6·6		TOTAL	6·6

20. The figures will now stand thus :—

Outlay.	£ million.		*Resources.*	£ million.
Capital Expenditure—			Imperial surplus	5·8‡
Railways	1·5		Provincial surplus	1·5
Irrigation	·6	2·4	Rupee borrowing	4·5
Delhi	0·3		Unfunded debt	1·7
Discharge of debt	11·6†		Special war receipts	1·0
Purchase of military stores and equipment awaiting allocation	1·8		Miscellaneous items	1·5
TOTAL	15·8		TOTAL	16·0

21. Taking resources first—

(1) I have already explained the Imperial and Provincial surpluses.

(2) We announced in the Budget a rupee loan of £4⅓ million, including the Post Office section; but we were ready to take up to £4 million more, in which case we should have devoted the surplus to paying off our loan from the Gold Standard Reserve. As a matter of fact, however, we have got little more than the amount that we fixed as in any case necessary.

(3) Unfunded debt will bring us in £1·7 million in view of the welcome fact that there has been a net increase of £700,000 in post office savings banks deposits, instead of a like decrease as apprehended when the Budget was framed.

(4) Under Special war receipts we now anticipate a higher return from the hire of enemy ships, and also some further deposits in connection with the liquidation of hostile trading concerns; while the Miscellaneous item shows an improvement of £1·3 million attributable to improved receipts from local funds and miscellaneous deposit transactions, and a large increase in the amount of Council bills remaining unpaid at the end of the year as compared with the amount outstanding at its beginning.

22. (1) On the outlay side, we have no longer to reckon with any Provincial deficit, there being on the contrary a surplus.

---

* These include sums obtained from deposits of funds accruing from the liquidation of hostile firms and the employment of enemy ships.

† The discharge of debt is shown in Statement C of the Financial Statement as amounting to £11·8 million. The difference represents rupee debt bearing interest at 3 and 3½ per cent. which has been cancelled by the issue of a smaller face value of 4 per cent. paper in return for 3 and 3½ per cent. paper surrendered in connection with the conversion operations of 1916. The amount of debt cancelled is shown in Statement C as debt discharged by a *per contra* credit to the head 'Deposits and Advances—Miscellaneous.'

‡ Figure adjusted with reference to paragraph 68 and the table in paragraph 70.

(2) The Railway capital expenditure is now estimated at £1·5 million against £3 million taken in the Budget. A lapse of £1 million is expected in England owing to the difficulty of obtaining material, and it is probable that the railway authorities here will not be able to spend more than about £300,000 in excess of the grant originally allotted to them for expenditure in India. The actual outlay is thus expected to amount to about £2·3 million, but from this a deduction of £810,000 has to be made on account of railway stores sent to Mesopotamia and elsewhere for the construction of military railways there at the cost of the Home Government. In effect, while £2·3 million has been spent on the improvement of our railway property as a whole, this addition to the capital account is partly counterbalanced by the diminution of the value of that property to the extent of the £0·8 million of stores which it has thus surrendered.

(3) The reduced Irrigation expenditure is in accordance with the progress of actuals, the lapse being largely due to the completion of the larger projects and the deputation of engineers to military duty.

(4) On the other hand, we have had to incur expenditure to the extent of £1·8 million on the purchase of military stores and equipment in anticipation of demands either in India or from the expeditionary forces. Pending their allocation to specific requirements, when the cost will be treated as expenditure debitable to Indian revenues or recoverable from the Home Government as the case may be, it has to be charged to a suspense head, thus reducing the resources available for general ways and means purposes.

23. We find ourselves then, owing mainly to an improvement of about £7 million in the Imperial and Provincial surpluses, able to meet our current liabilities outside discharge of debt, and at the same time to provide a much greater amount for the latter purpose. The Budget programme under this head contemplated the repayment of £$\frac{1}{2}$ million of India bonds which fell due for redemption in the ordinary course, and of £1$\frac{1}{2}$ million out of the £7 million of short-term India Bills which the Secretary of State had raised at the beginning of the war. We had also closed the year 1915-16 with a debt of £4 million (out of £7 million borrowed at the beginning of the war) still outstanding to the Gold Standard Reserve, but we could not then see our way to discharging this liability in the current year, except in the contingency, which did not mature, of a very large response to our conversion loan.

With our improved resources we are now able, besides paying the India bonds, to discharge the £7 million of India Bills in full, and also the whole of the loan still outstanding from the Gold Standard Reserve. Our total payment in discharge of debt, including a small item of Railway Companies' borrowing and an annual instalment in repayment of an old loan from the Gwalior State, thus amounts to £11·6 million. Our emergency war indebtedness is thus extinguished, and we shall be ready to undertake next year the new obligations of which I shall presently have to inform the Council.

24. I now turn to the state of our balances. The revenues did well at the end of 1915-16, and, as the table in paragraph 20 shows, we have not had to resort to drawings upon balances in 1916-17, but on the other hand should have been able to add to them to the extent of £0·2 million. The matter is complicated, however, by adjustments in respect of silver purchases effected towards the end of the year. The Secretary of State pays for some of his purchases at once, and his balances are depleted accordingly, but the corresponding credit on our side is not effected until the silver is received in India at the beginning of the next financial year. There is thus a short interval in which the value of the silver is lost to our accounts altogether and the amount thus temporarily withdrawn has not been taken into account in the foregoing calculations. Allowing for this, the actual position which we expect to attain on the 31st March next is a closing balance of slightly over £18 million as compared with £17·6 million anticipated in the Budget. In reality, however, we have improved on Budget anticipations to a larger extent as the value of the silver temporarily lost to our accounts in the manner above described is expected to be £1·7 million, and as soon as this silver is received in India, in April or May, the balances will rise by the same amount.

25. I have so far been dealing with those transactions only which affect our balances as a whole, and have not considered the numerous, and on this occasion even more important, transactions which imply a receipt or disbursement on our side against

a corresponding disbursement or receipt in England. In ordinary years it is not necessary to give any prominence to this complication in the general statement of our financial position. We are satisfied to show that we are maintaining suitable balances both in England and in India, and a proper distribution of our resources is usually attainable without special difficulty. In the present year, too, we hope to succeed in closing the financial year with an adequate balance both here and in England. The figures we anticipate are £5·7 million in London, and £12·4 million in India, the latter figure being about the same as the usual standard, and the former well above it. But this result has only been secured by exceptional measures, and with much difficulty and anxiety. The question bears most closely on our own financial position and on the interests of trade, and I shall therefore endeavour to make it clear.

Remittances to the Secretary of State, and their bearing on exchange.

26. The Secretary of State's cash requirements, as anticipated when the Budget was framed, were on a more or less normal scale. He expected to require £21·8 million for his ordinary home charges, including capital outlay, and £2 million more for discharge of debt in England, as already explained. His balances, however, were strong, and it was contemplated that £1·3 million would be found by drawing upon them. For the remainder, namely £22½ million, the Secretary of State relied on recoveries in London on account of war expenditure to the extent of £18·6* million, which we expected to incur on behalf of His Majesty's Government in India, and proposed to obtain the balance by drawing Council bills on us to the extent of £3·9 million. While, however, our expenditure in India on war requirements against corresponding recoveries by the Secretary of State at home evidently operates, so far as he and we are concerned, in the same manner as the sale of his Council drafts, it does not, like the system of Council drawings, also meet the demands of trade in respect of private remittances to India; and by depleting our treasury balances, it diminishes our ability to meet those demands otherwise. It was in fact evident, even when our Budget was framed, that most of the strain of the trade demand for Council drafts in 1916-17 must ultimately be thrown upon the Paper Currency Reserve, and measures to meet that contingency were duly taken.

27. I will now state what has actually happened. As I have just explained we calculated in the Budget that we could afford to let £22½ million of our treasury balances be transferred from here to England. The total amount which, as we now estimate, will be actually transferred to London has risen to the unprecedented figure, of £71½ million. Our recoverable war expenditure, now estimated at £38½ million, has been more than doubled, and, in addition, there has been an acute trade demand for Councils which has been and is being met to the extent of £33 million. The two questions at once arise how has this enormous transfer been financed on our side and how has the Secretary of State employed the excess funds thus remitted to him.

28. Well, as I have already said, we quite realised from the outset that there would be a much heavier trade demand for Councils than the small sum which, as it seemed, our treasury balances would be able to meet. We have met the two-fold strain of increasing war outlay in India, coinciding with a strong trade demand for remittance to India, in three ways. In the first place, we are finding from our treasury balances a total sum of £33 million. As already stated this improvement of £10½ million on our original forecast is due mainly to the large Imperial and Provincial surpluses, that is to the generally prosperous revenue position. Secondly, outside silver in transit we shall have provided the equivalent of £19½ million of new currency by the coinage of silver purchased for us in England. Thirdly, we have withdrawn £19 million from the Paper Currency Reserve in India, placing ourselves in a position to do this by taking power from time to time to increase our Paper Currency Reserve investments in England.

29. I turn now to the arrangements on the Secretary of State's side. He receives in remittances from us some £71½ million. Of this amount, he will require, as we

* I include in this figure some outlay for the Australian Commonwealth.

now estimate, £21·7 million for his ordinary charges, while £16·2 million have been applied to the purchase of silver, and £19 million have been invested in the Paper Currency Reserve. Another £4·3 million, representing mainly the profits on the coinage of our large silver purchases, has been invested on behalf of the Gold Standard Reserve. With the balance left, and by drawing to the extent of £1·3 million on his cash balance, which stood at the commencement of the year at the large sum of £7 million, the Secretary of State has been able, as already explained, to devote £11½ million to the discharge of debt.

30. These, then, are the bare facts of our ways and means situation as between England and India. They may be focussed in a sentence: we anticipate that we shall have arranged, in a single year, for remittances well exceeding the maximum remittances of any two successive years since 1899, when our present gold standard system first became effective. The exchange difficulty has arisen from the fact that, for the time being, we have not been able to do more. Or, to put the matter in another form, under war conditions India's exports, more particularly since the Indian Government has itself become an immense exporter of war supplies and services, are urgently demanded without regard to considerations of price, freight or quantity, while the same conditions have restricted the volume of the imports in kind which can possibly reach her in repayment, and preclude or impede the alternative methods of adjusting a balance of trade which has become embarrassingly large. The import of gold on a large scale is obviously prejudicial to the larger interests of the Empire as a whole, while silver, as present prices testify, is increasingly difficult to obtain.

31. Let me now glance for a moment at the situation prior to this crisis. At the outbreak of war, we had a very strong rupee stock in this country, amounting to some R40 crores, and as soon as our entry into the war supplied a justification for drastic measures, we stopped the issue of gold and conserved our holding of £10 million of sovereigns for future eventualities. At that period, and for some considerable time after, our real danger lay in the possible weakness of exchange, so that it would have been manifestly unsafe then to add to our stock of silver in India at the expense of our stock of gold in London.

Starting, then, with very considerable strength as regards our metallic reserves, we had also, before the occurrence of the present crisis, fortified ourselves still further by the measures taken to encourage the more rapid growth of our note circulation. Three years ago the active circulation stood at R52 crores and fell at once to a much lower figure at the outbreak of war. A year ago the circulation had reached R54 crores, and I felt it a matter of considerable satisfaction that its recovery had been so complete. To-day it stands at R68 crores; and I can only say that, but for this phenomenally rapid development, our situation now would have been much graver than it is.

32. I turn next to the vicissitudes of exchange. At the outbreak of the war exchange dropped, and from August 1914 to January 1915 it was necessary to have weekly sales of sterling drafts on London. Exchange fell once more in June 1915, and the sale of reverse drafts had to be resumed for three months. The demand for Council drafts then recommenced and for a long time continued on a moderate scale. It first attained abnormal strength at the end of January 1916, and sales were maintained on a heavy scale during February and March. Thereafter, during the first six months of the present financial year, the demand was again reduced to more moderate dimensions, but revived at the end of October, and in the early part of December the weekly sales averaged over £2 million. Our rupee holding in the Paper Currency Reserve had then sunk to R14 crores, and in spite of the silver awaiting coinage, it was evident that, under the conditions as regards purchase and shipment which the war imposed, a limit must be placed, for some time at any rate, upon further sales. To have held on would have been to accept the probability of falling short of rupees for the encashment of notes and of having to declare our paper money temporarily inconvertible. Accordingly, on December 20th the Secretary of State imposed a limit of Rs 80 lakhs on his weekly sales, which was raised to 120 lakhs for the following week and has since been continued at that figure.

33. It only remains to recite briefly the remedial measures which we have taken. At the time when the demand for Council drafts became heavy about January 1916, our

rupee balances were still exceptionally strong and we were approaching the period when rupees ordinarily return to us in large quantities. Indeed we experienced no difficulty in standing up to the demand until the slack season began. Nevertheless, in February 1916 we advised the Secretary of State that it would be desirable to resume the purchase of silver, and since then purchases have been continuously made in spite of a range of prices which threatened, if unduly forced, to raise the intrinsic value of the rupee to its value as a token coin. We estimate that the fresh silver obtained since February last year will suffice to provide 36 crores of new rupees—a sum far exceeding the fresh coinage in any similar period since the re-opening of rupee coinage in 1899-1900. Of the total amount just mentioned our local purchases in India account for some $2\frac{3}{4}$ crores while the remainder has been negotiated in England. Those who have followed the price conditions of the period, and are aware of the other demands upon the silver stocks of the world, will not fail to realise the amount of successful effort on the part of the Secretary of State in England which the purchase of this huge quantity implies.

34. At the time when these difficulties began, our original £10 million of sovereigns had been reduced by various calls connected with the war to £8 million. But in the meantime we had also in our vaults £7 million worth of gold bullion which we were holding on behalf of the Bank of England, and we have taken steps, as the Council are aware, to place this gold at the disposal of the public on such conditions as will give us the maximum help from the currency standpoint. In effect we are purchasing this gold for the above purpose from the Bank of England, which is reimbursed, as the sales proceed, from gold hitherto held on behalf of the Paper Currency Reserve in London. And when, by our sale of this gold, a situation has been reached in which the present premium of the sovereign in India, as compared with the normal exchange parity of 15 rupees, has wholly or mainly disappeared, we shall proceed to release a portion of the sovereigns held in the Paper Currency Reserve on this side.

Owing to the absence of facilities for refining gold on a really large scale, it is taking some time to absorb the raw gold available. This difficulty is being remedied as far as possible. Meanwhile an amount valued at £$1\frac{1}{4}$ million has been placed upon the market by the first four weekly sales, and the quantity taken each week is now showing a satisfactory upward movement.

35. As regards the further encouragement of the note circulation, our action so far has necessarily been of a negative character, but I attach no little importance to it. It consists in our refusal to curtail the enlarged facilities for the encashment of notes which the public have enjoyed throughout the war and which have been productive of such beneficial results in the extension of our note circulation. We are also about to consult Local Governments as to the advisability of introducing a one rupee note. If this innovation can be attempted and proves successful, no one will be more gratified than myself, for I have always been optimistic as to the wide possibilities of our paper currency system and may claim, I think, to have done a good deal to demonstrate them practically. But we must beware of forcing the pace in these matters, especially at times of incipient uneasiness like the present.

36. There remains, among the fundamental methods of attacking the problem, one other yet to be mentioned. The difficulty of securing to India the payment for her excess of exports can be avoided in so far as she is prepared to give credit for the amount due to her instead of insisting on immediate payment in kind or cash. The war loan of unlimited amount which we now propose to float offers an opportunity of testing possibilities in this direction. If all these remedies prove inadequate, the only remaining alternative is the temporary contraction of our exports, and that is a result which we must anticipate from the restrictions on the sale of Council drafts which have become necessary as an emergency measure in the present season. As has already been said in the press notice issued after my discussions with the exchange banks and other commercial authorities in Calcutta, we intend that these restrictions shall be relaxed as soon as it is safe to do so, but so long as the difficulties which they are meant to meet are unremoved, the restrictions too must remain. What can be done is to alleviate the rigour of their operation, directly upon the exchange banks and indirectly upon trade generally, as fully as possible both by our own action and, what is more important, by the concerted

action of the banking community and trade. This concerted action is now being taken. The Secretary of State's Council bills are being allotted at a fixed price; the exchange banks are maintaining fixed rates of exchange in England and India; and I would ask commercial houses in India to give these efforts at mitigating the difficulties of the situation their fullest and most loyal support.

I will conclude these remarks on the exchange difficulty by reminding the Council that, as Your Excellency pointed out in your opening speech this session, it arises ultimately from an essential service which India is rendering to the Empire in financing war expenditure abroad and so assisting in securing the United Kingdom's exchange position. The inconveniences arising therefrom, however acutely they may be felt, will therefore, I trust, be readily accepted as a war sacrifice which India has made for the Empire.

37. Turning to another phase of these transactions, we find that the abnormal remittances to England have rendered possible further services of a very valuable kind. By arranging to discharge £7½ million of sterling debt in the current year we have left the home market free to that extent to take up the Home Government's war securities. The sums of £19 million and about £4⅓ million invested on behalf of the Paper Currency and Gold Standard Reserves, respectively, have been employed in the purchase of Treasury bills, that is have been lent to the Home Government for the prosecution of the war. The £4 million of debt repaid to the Gold Standard Reserve is being lent, by investment, in the same manner. In effect, therefore, out of about £38½ million which we are spending this year on account of His Majesty's Government and recovering from them, we are re-lending them more than £27 million through the purchase of their war securities. Taking last year's transactions into account also, our total holding in British war securities in the Paper Currency and Gold Standard Reserves will amount at the end of this year to about £46½ million, of which £35 million is wholly new investment.

Few people have, I think, realised the extent to which we have been able to assist His Majesty's Government by these operations. The sums with which I have been dealing are far in excess of what could have been obtained—even had such a step been otherwise desirable at an earlier stage—from a war loan in India.

India's Financial Contribution to the War.

38. This brings me face to face with the whole question of India's financial contribution to the war. We have been subjected to much criticism in certain quarters for not contributing more than we have done, and we have been reminded in this connection of a Resolution moved and carried in this Council on the 8th September 1914 by Sir Gangadhar Chitnavis, to which Your Excellency referred in your speech on the 7th February, in which the Council expressed the opinion that 'the people of India, in addition to the military assistance now being afforded by India to the Empire, would wish to share in the heavy financial burden now imposed by the war on the United Kingdom, and request the Government of India to take this view into consideration and thus to demonstrate the unity of India with the Empire.' Also of a further Resolution, moved and carried on the 24th February 1915 by Mr. M. S. Das, which affirmed the 'unswerving resolution of Indians to support the honour, dignity and prestige of the Empire regardless of the sacrifice it may entail on them.' We have been told that it is a very inadequate compliance with the spirit of these Resolutions to be merely bearing the normal peace cost of the expeditionary forces which we have despatched over-seas; and we have been accused, with reference to remarks made in paragraph 14 of my speech introducing the last Financial Statement and paragraph 5 of that introducing the final Budget, of having tried to squeeze His Majesty's Government in respect even of these normal charges.

39. Well, I must remind these critics that section 22 of the Government of India Act forbids the application of the revenues of India to defraying the expenses of any military operations carried on beyond our external frontiers otherwise than for preventing or repelling actual invasion or under some other sudden or urgent necessity, and that the specific consent of both Houses of Parliament is requisite to set these provisions aside. As the law stands, the whole cost of the expeditionary forces supplied from India was therefore primarily debitable to His Majesty's Government,

as had been the case, for example, in regard to the troops we lent for operations in South Africa during the Boer War, and in China about the same time. We felt, however, that in the circumstances of the present war we could not properly claim such full payment, and accordingly, after the passing of Sir Gangadhar Chitnavis's Resolution, which I may say was brought forward with the full cognisance and approval of Lord Hardinge's Government, we proposed that we should bear the normal charges. Resolutions to this effect were passed in both Houses of Parliament, first in September 1914 and again in November of that year, and the latter Resolution governs India's present contribution in money to the war. Its terms are as follows:—

"That, His Majesty having directed military forces charged upon the revenues of India to be despatched out of India for service in the war in which this country is engaged, this House consents that the ordinary pay and other ordinary charges of any troops so despatched, or that may be so despatched during the continuance of the war, as well as the ordinary charges of any vessels belonging to the Government of India that may be employed in these expeditions, which would have been charged upon the resources of India if such troops or vessels had remained in that country or seas adjacent, shall continue to be so chargeable, provided that, if it shall be necessary to replace the troops or vessels so withdrawn by other vessels or forces, then the expense of raising, maintaining, and providing such vessels and forces shall be repaid out of any moneys which may be provided by Parliament for the purposes of the said expeditions."

40. So long as this Resolution is in force, His Majesty's Government and we are equally bound by it, and we can neither increase nor decrease the amount of financial assistance which we render in accordance with its terms. In effect what the Resolution lays down is that, although we sent a large number of our best troops out of the country at a time when mere consideration of local safety might well have dictated their remaining here, we pay for them just as if they were still employed in India and at our beck and call.

Further, as regards what constitute 'normal charges' in respect of the many items of expenditure involved, we are bound to satisfy our Auditor General as to the correctness of the classification or to submit his objections for the decision of the Secretary of State. There have consequently been discussions with His Majesty's Government in regard to the proper interpretation of the term normal charges in respect of various items, some of the more important of which were mentioned in the portions of my speeches above referred to. But in every case the discussion has been of the most friendly nature, and whenever there was any reasonable doubt we have been very willing that the decision should be given against ourselves. I may add that the War Office have cordially acknowledged the fairness and clearness with which the accounts have been compiled on this side, and the credit for this is primarily due to Mr. B. N. Mitra, C.I.E., the Controller of War Accounts.

41. The gross amount that we shall thus have contributed up to the end of the present year may be taken at £19 million; but against this must be set charges relating to British troops actually serving in India which are being borne by the Imperial Government in pursuance of the provision in the Resolution of both Houses of Parliament, that the cost of substituted troops (territorial and garrison battalions) shall be borne by the Home Government. With that adjustment, our total net contribution towards the cost of the war in respect of the Expeditionary Forces is about £11½ million up to the end of the current year, to which we must add another £4 million estimated in respect of 1917-18.

It may be said, of course, that we have not done enough in this respect, and that we ought, through His Majesty's Government, to have moved Parliament to authorise a wider expenditure by India. That is a point which I shall discuss presently. In the meantime I desire to emphasise the fact that we cheerfully agreed to bear the charges which I have discussed above, and that we have never sought to minimise them, though we have been bound to interpret the terms of the Parliamentary Resolutions in a way that would satisfy the Auditor General.

42. It has also to be borne in mind that, quite apart from these charges, we have had to add to our military expenditure very considerably in connection with the war, which has, in particular rendered it necessary to take special measures for

the protection of the North-West frontier. I need not go into details here, but will let the lump figures of military expenditure speak for themselves. The last budget framed under peace conditions, that for 1914-15, assumed a total net military expenditure of £20½ million, which was higher than the outlay for any preceding year subsequent to 1906-07. In 1915-16 the net military expenditure amounted to £22¼ million; in the current year, as I have already explained, it has run up to nearly £25¼ million, while we expect it to amount to close on £26 million in 1917-18. The bulk of the increased expenditure thus shown is directly attributable to circumstances connected with the war, and with the precautionary attitude which further possibilities have forced upon us.

43. It has also to be remembered that we have been put to very considerable additional expenditure, in conjunction with His Majesty's Government, by reason of the political situation in Persia set up by the war. The total additional cost thus thrown upon us may be taken at £1,200,000 from the commencement of the war up to March 1918.

44. We have further, as I have already indicated, had to strain our resources very seriously, and to impose prejudicial limitations on legitimate trade activities, in order to finance very heavy charges in this country on account of His Majesty's Government, while we have re-lent them a large part of our recoveries by taking up Treasury bills through the Paper Currency and Gold Standard Reserves. In all, as I showed in paragraph 37, we have, since the beginning of the war, put £46½ million into British war securities, of which £35 million represents wholly new investment. And in 1917-18 we expect that our anticipatory payments for the Home Government will be about as heavy as in the current year, while we must anticipate a recurrence of the attendant difficulties.

45. Finally, at the cost of cutting down our capital expenditure programme to the quick, we have abstained from indenting on the home money market with the intention of leaving it free for His Majesty's Government's loan operations. Thus in 1915-16, allowing for the discharge of debt, our net borrowings in London amounted only to a sum of £2 million, while in the current year we are making no fresh sterling borrowing, but are on the contrary redeeming £7½ million of previous debt. Nor do we propose to indent on the home market in any way in the coming year.

46. We have been reproached in certain quarters for not having taken steps, a year or two ago, to float a special war loan in India, the proceeds of which would have gone to His Majesty's Government. I need only say that we carefully considered the desirability of such action and came to the conclusion that it was at that time not expedient. That conclusion, as the Secretary of State announced some time ago in the House of Commons, was fully accepted by His Majesty's Government, who realised that the best assistance we could then give was to abstain from borrowing in the home market and rely on India for our own essential requirements.

47. I now revert to the question whether we might have done more in respect of direct contribution to His Majesty's Government, with reference to Sir Gangadhar Chitnavis's Resolution of September 1914. The answer is that the situation at that time did not permit it. Our finances had been most gravely dislocated by the war: we were faced not merely by a large decrease in revenue, but by a very serious drain on our post office savings bank deposits, which had compelled us to borrow £7 million from the Gold Standard Reserve, while the Secretary of State had incurred £7 million of temporary debt in London. In framing the Budget for 1915-16, again, we were faced by what we thought would be a heavy deficit, and having regard to political and financial considerations, Lord Hardinge's Government felt strongly that it was necessary at that time to avoid additional taxation. In connection with the Budget for the current year such taxation had become a necessity, but the position on the North-West frontier was still so uncertain that we could not safely undertake fresh direct liabilities in connection with the prosecution of the war outside India. We had still, moreover, heavy temporary debt liabilities, £4 million remaining due to the Gold Standard Reserve, while we did not then see our way to repaying more than £1½ million of the Secretary of State's India Bills.

48. We have always felt, however, that if and when our circumstances warranted this, we should take up the question of making a further direct contribution by India

towards a struggle in which her own political and economic future is so closely involved, and throughout which her trade and security have been so materially assisted by the command of the sea established by His Majesty's Navy; and we have been in constant touch with His Majesty's Government in regard to this matter. We hold that the time has now come at which we can safely put our wish into effect, and thereby gratify still further the patriotic feelings unanimously expressed in this Council on the occasion of the Resolutions moved by Sir G. Chitnavis and Mr. M. S. Das. We are able to do this without misgiving, since we have now, as I have already explained, cleared off the whole of our temporary liabilities, and have accumulated balances strong enough to enable us to carry out our reduced capital expenditure programme without further borrowing in India on our own account next year.

49. Accordingly, at the beginning of January, Your Excellency addressed a telegram to the Secretary of State, from which I quote the following passage:—

"I feel, and I speak throughout with the cordial and unanimous assent of my colleagues, that the time has come for India to place her credit and her taxable capacity at the disposal of His Majesty's Government, to be utilised to the farthest extent which her limited resources and a just appreciation of the circumstances of her people render practicable, and in such time and manner as His Majesty's Government may deem expedient. We are prepared to borrow in India, as a war loan for His Majesty's Government, the largest sum which can be raised, and to offer for this purpose terms no less liberal than those which have been granted in England. If it should be found that Indian credit can also be usefully employed elsewhere, we should gladly assent to its being so employed: and in so far as the aggregate funds which India can thus directly borrow for the use of His Majesty's Government constitute a contribution not adequately proportioned to her resources, we propose that she should also undertake the service of a portion of the existing British war debt. In this spirit, and in the confidence that such an offer will evoke a generous response from the Princes and peoples of India, we have addressed ourselves to the task of defining practical possibilities."

The telegram went on to indicate that we were prepared to accept an ultimate total special contribution of £100 million to the war, and to put forward proposals for increasing our resources in order to meet the consequent recurring liabilities, which may be taken at £6 million a year allowing for the gradual extinction of this debt by a sinking fund. Deducting from this £100 million the amount raised by our borrowing in India for the benefit of His Majesty's Government, and by any special issues which that Government might think it desirable for us to undertake elsewhere, we would liquidate the balance by taking over a portion of the Home War debt.

His Majesty's Government have gratefully accepted this offer, and the £100 million we are thus contributing amounts, I may point out, to nearly double our total Imperial revenue as it stood before the war.

50. I shall set forth presently the way in which we propose to raise the resources necessary for the carrying out of this offer, so I confine myself now to a few preliminary remarks on the subject of next year's war loan. Our decision to borrow next year as freely as we can for the benefit of His Majesty's Government, which was announced in general terms a few weeks ago, is in no way inconsistent with the view we took in 1915 that such a course was then undesirable, for the circumstances have now completely changed. In 1915 we had, as I have said, a large amount of temporary debt still hanging over us, and could only meet the capital expenditure which was necessary even in war conditions by further borrowing on our own account in India. We had also to consider the prejudicial effect on exchange which would be caused by borrowing a large amount in this country and remitting it home, bearing in mind that we had had two recent exchange crises necessitating considerable special sales of sterling drafts on London, the first shortly after the commencement of the war and the second in the summer of 1915. In short, in regard to this and other alleged shortcomings, our critics have not been in a position, as we and His Majesty's Government were, to take into account the various factors of a complicated situation. Now, however, we have to deal with an altered set of conditions. Thanks to our large surplus, the exercise of economy in respect of current expenditure, and drastic reduction of our capital outlay, we have been able to repay the whole of our large temporary borrowings; and, as I have already said, to accumulate sufficient funds to finance next year's necessary capital outlay without further recourse on our own account to the Indian market. The exchange position, too, is completely altered owing to the very large outlay which we have to make on behalf of His Majesty's Government in India, and which they repay to the Secretary of State in London. At the

same time such a loan will now strengthen our position here and will also give full opportunity for the patriotic feelings of those who desire to make some direct contribution to the carrying on of the war. I shall deal later with the character of the borrowing we thus propose, and will now proceed to discuss the Revenue and Expenditure estimates of the coming year.

Budget Estimate of Revenue and Expenditure for 1917-18.

Revenue and Expenditure—Imperial.

51. I will first examine the position with reference to the existing sphere of taxation and liabilities, leaving for subsequent consideration the special contribution we propose to make to His Majesty's Government in connection with the war, and the measures necessary to find the requisite means. On this basis, and assuming that the next south-west monsoon will be normal, the following statement brings out our Budget anticipations on the Imperial side for 1917-18, as compared with the Revised Estimate for the current year:—

[In millions of pounds.]

	Revised, 1916-17.	Budget, 1917-18.
Revenue	64·803	63·213
Expenditure	59·065	60·433
Surplus	+5·738	+2·780

That is, whereas we can look forward to an Imperial surplus of £5·7 million this year, we can only expect about £2·8 million in 1917-18.

52. As regards *Railways*, which are an important factor in this less favourable result, the following statement compares the figures taken in the Revised Estimate with those now proposed for the Budget of 1917-18:—

[In millions of pounds.]

	Revised, 1916-17.	Budget, 1917-18.
Gross receipts	41·7	41·3
Working expenses, including payment of surplus profits to Companies	20·8	21·7
Net receipts	20·9	19·6

As regards gross receipts, it will, I think, be reasonably cautious to assume that, in present conditions, the takings of next year, though they are not likely fully to equal those of 1916-17, will not fall far short of them. I propose therefore to put the gross receipts at about £400,000 less than the estimate of the current year, but to increase working expenses by £900,000, this increase being due to the fact that further expenditure is necessary, both under ordinary working expenses and special renewals, to enable the railways to cope with the abnormal increase of traffic which they have had and will have to carry under existing conditions. Allowing for some minor items which enter into the final Railway figure, the effect is a falling-off of £ 1·2 million, as compared with the Revised Estimate for the current year.

53. The other Revenue factors are likely, as a whole, to give us about £400,000 less than in the current year; but there are some important variations under individual heads. Under *Interest* receipts, we expect an additional £1 million owing to increased investments from the Paper Currency Reserve, and this improvement would have been greater but for the fact that, in pursuance of the scheme which I

explained in paragraph 12, we propose to set aside an additional £200,000 next year for the Paper Currency Depreciation Fund. We shall thus in two years have contributed some £600,000 towards making good the difference, amounting to a little more than £1 million, between the original purchase price of our consols holding in the Paper Currency Reserve and its value at current prices. As present conditions are unfavourable to any very large scale of consols, the sums thus set aside have the effect for the time being of a loan to His Majesty's Government, in whose securities they will be invested until consols are actually sold and the money required to cover the loss is transferred from the Depreciation Fund to the Paper Currency Reserve.

54. As regards the remaining heads which call for remarks :—

(1) Under *Opium* we expect an additional £236,000 from increased sale of medicinal opium, and the higher prices which it is likely to fetch next year.

(2) *Salt* receipts are taken at £813,000 less than in 1916-17 owing to heavy clearances and payments of duty this year in Northern India in advance of actual consumption.

(3) Under *Customs*, we provide for a decrease of £694,000, allowing for the fact that, as the war goes on, freight is likely to be scarcer, and that imports may be affected by the further activity of the belligerent nations and the production of war material. The decrease is distributed over most of the important tariff sub-heads, but is particularly large in the case of cotton manufactures and manufactured articles, and is of special interest in the case of silver where we have to take our total receipts at about £30,000 only as compared with the yield of £$\frac{2}{3}$ million to which we had grown accustomed in normal times. The export trade, again, is likely to be prejudiced by the existing exchange difficulty, and possibly by special restrictions on imports into the United Kingdom such as those recently announced in the case of jute and tea. The decline in the case of jute would in fact have been much larger but for the fact that the effect of the exemption of forward contracts, which was allowed when the export duty was first imposed, is now spent.

Account has been taken of the measures recently adopted to decrease the consumption of petrol in India. These measures, which consisted in prohibiting the import of motor cars otherwise than on behalf of Government or under special license, and the imposition of an excise duty of 6 annas a gallon on locally-produced petrol, with a like addition to the existing customs duty on imports, were taken at the request of His Majesty's Government in order to conserve the supply as far as possible for war purposes and to economise freight, and their financial effect is slight. We estimate that the petrol tax will give us an income of £150,000, from which £90,000 must be deducted for loss of customs duties on motor cars.

(4) *Posts and Telegraphs* show an increase of £169,000 by reason of normal development, and the estimated operation of the recent raising of minimum charges in respect of telegraph messages.

(5) The falling off of £486,000 under *Mint* is due to the omission of the special receipts obtained this year from the coinage of rupees. Coinage will be necessary next year also, in so far as we can get the silver, but any estimate of the amount would be absolutely speculative and, following the accepted practice, we refrain from any specific assumption of revenue from this source.

(6) Taking *Land Revenue*, *Stamps*, *Excise* and *Income Tax* together, there is an increase in the Imperial shares of £314,000, on the assumption that there will be a continuance of the present generally favourable agricultural and economic conditions.

(7) The head *Miscellaneous* shows an increase of £109,000, which is brought about in connection with the profits made on our wheat scheme, the operation of which terminated on the 31st of March last. These profits, which have now been definitely worked out to £158,000, have hitherto been kept in deposit until the time came when we could fitly utilise them, as it was intended they should be utilised, in special non-recurring expenditure in connection with agriculture, since the operation of the wheat scheme had depressed prices which would otherwise have risen to the benefit of the agriculturist. We are not yet in a position to make a definite allocation of this amount, but expect to be able to do this within a fairly short time, so that we can now safely take this sum to our regular receipts and debit it on the expenditure side for allotment to Local Governments.

55. On the expenditure side, a head which calls for special reference is *Military Services*. The net cost of these has been taken for 1916-17 at about £25·4 million, and for 1917-18 we have to raise this to £25·9 million.

We make a provision (as we did in the Budget of the current year) for a reserve to meet unforeseen requirements which we at present fix at about £700,000. We already have certain demands upon this sum which cannot yet be definitely allocated, so that the effective reserve is rather less than £½ million. We allow £400,000 for application during a full year of the concessions in regard to free rations to sepoys and larger pay to the higher ranks of the Indian Army referred to in paragraph 14 (6). We also provide £60,000 for the increase in Indian Army pensions announced on 1st January with retrospective effect from the beginning of the war. On the other hand, we are only providing £550,000 to complete our requirements of additional rifles and ammunition referred to in paragraph 14 (1) against £936,000 in the current year, and we are also allotting £100,000 less for frontier roads next year.

Other variations under the Military heads balance each other.

56. Our estimates also show a further increase of £150,000 under *Political* expenditure, arising from the war and its effects on the situation in Persia; and we make an additional provision of £310,000 for *Opium* outlay in consequence of an increase in the area to be cultivated with poppy in the United Provinces and in the rate of payment to cultivators.

57. The only other item I need single out for special mention in the present summary of our transactions is a special recurring grant of £200,000 which we propose to allot, from next year onwards, for improving the training and pay of teachers in primary and secondary schools. We hold that such an improvement in respect of teachers is an essential preliminary to further educational reform, and although present circumstances prevent our doing much in this direction, we desire by this grant to give an earnest of our intention to make more liberal provision for education when peace and prosperity return. With the exception of a small sum reserved for direct application from Imperial funds, the whole of this grant will be distributed to the provinces, and provision has been included in the estimates for the necessary assignments to them through the head 'Transfers between Imperial and Provincial revenues.' The variation in the amounts of the assignments due to this cause is, however, obscured by the omission from the Budget of 1917-18 of special non-recurring assignments to some Provinces included in the Revised Estimates for the current year, and of the assignments in connection with the present arrangements for the incidence of famine relief expenditure for reasons set forth in paragraph 108 below.

58. As I have said, I calculate that next year we shall, on the present basis of taxation, have a surplus of about £2¾ million; but we have now to take into consideration the fact that, as already explained (paragraph 49), we propose to make, on behalf of India, a special contribution to the Home Government for the cost of the war which, in one way or another, will run eventually to £100 million. That requires us to undertake, with effect from 1917-18, an annual charge of about £6 million. For the present this sum is taken against the *Interest* head, the question of its eventual allocation being reserved for further examination, when the advisability of constituting a special War Contribution head will be considered.

In order to meet this liability we have thus to raise more than £3 million in additional taxation.

59. Before coming to the actual methods by which we propose to raise this amount, I will clear the ground by indicating other possible courses which we have not thought it advisable to adopt. *Primâ facie* a natural, and administratively easy way of raising fresh money would be by enhancement of the salt tax, since the tax, although it was slightly increased last year, is still below the figure at which it stood in 1905 and much below that in force up to 1902; and as I said in my last year's speech, its increase is a legitimate measure when war or other financial dislocations come upon us. There would indeed in some respects be a special suitability, if the salt tax has at any time to be further enhanced, in choosing the present occasion; for, in the matter of assistance in the financing of this great war, I do not think that even the humbler classes in India can completely stand aside; and there is no doubt that, whatever appeal we may make to the small investor through suitably

devised loan arrangements, the classes we can thus reach must, at the best, be relatively small compared to this country's vast population. This expedient of raising funds is, however, ruled out of account in present conditions by the high price of salt to which I have already referred. The present pitch of prices is itself an indication that a moderate duty is by no means the main factor in determining the cost to the consumer; but a moment when prices are abnormally high is not the time for adding to the tax as well.

60. Another possibility is the raising of money in excess of our existing land revenue through the medium of a special cess upon land. Such a course would be justifiable by war conditions, and by the further fact that, over a great part of India, it would merely restore the position which prevailed prior to the repeal of the Famine and Patwari cesses in the years 1905-1907. We have decided, however, that this would not be at present desirable. Though we do not in any way admit that our land revenue assessments are other than most moderate, we prefer, so long as this is possible, to leave the enhancement or imposition of special cesses as a sphere of taxation suitable for local boards, in order to assist these in developing such beneficient expenditure as that connected with education, sanitation, medical relief and local communications. It must be understood, however, that while we refrain on the present occasion from imposing additional Government taxation on agricultural incomes, we can give no pledge that we shall refrain from doing so hereafter should future necessities oblige us to take this course.

61. Another method which would *primâ facie* be appropriate to present conditions is the levying of a large excess-profits tax on industrial and commercial profits which have been specially enhanced by reason of the war. On full consideration, however, we have decided that this would not be advisable. In the first place, as we know from the experience obtained in England, the fixing of what are normal profits and what consequently may be considered excess gains, which must vary with reference to particular trades and even in respect of the circumstances of individual firms or companies, is a very difficult matter; and it has only been found possible to apply it with a fair amount of equity at home—though even there there has been much trouble and criticism in particular cases—by reason of the very efficient and elaborate income tax machinery already existing, and by the appointment of special expert boards of reference to deal with disputable cases. In India we lack both the elaborate administrative machinery and the material for impartial and authoritative boards. Secondly, an excess profits tax is obviously only a temporary measure, which cannot be continued when the war is over, whereas what we need is a more permanent source of revenue. While we have had consequently to reject this solution, we shall be able to secure an appreciable portion of the excess profits that have lately accrued in connection with the war by the method of taxation I now put forward.

62. In the present year's Budget we enhanced our rates of income tax, and these now run on a graduated scale from 4 pies in the rupee to one anna, which last sum becomes payable on incomes of R25,000 and over. We now propose to supplement the ordinary income tax by a super-tax on the largest incomes such as has been in force in England for several years past. That is, the ordinary rates of income tax will remain unchanged, but people having incomes in excess of R50,000 per annum will pay a super-tax in addition. We thus leave the bulk of the existing assessees alone and lay the burden we are about to impose on the shoulders of the rich, who are best able to bear it, and many of whom have made large profits owing to the war.

The super-tax will begin, as I have said, in respect of income exceeding R50,000 and will then be levied in an ascending scale as shown below:—

For every rupee of the first R50,000 of the excess, *i.e.*, between R50,000 and 1 lakh	1 anna per rupee.
For every rupee of the next R50,000 of the excess, *i.e.*, between R1 and 1½ lakhs	1½ annas per rupee.
For every rupee of the next R50,000 of the excess, *i.e.*, between R1½ and 2 lakhs	2 annas per rupee.
For every rupee of the next R50,000 of the excess, *i.e.*, between R2 and 2½ lakhs	2½ annas per rupee.
For every rupee of the remainder of the excess, *i.e.*, on everything over R2½ lakhs	3 annas per rupee.

These rates will be in addition to the one anna income tax, so that a person possessing an income exceeding Rs. 2½ lakhs will pay in all a rate of 4 annas per rupee (equivalent to 5*s.* in the pound) on that excess; while as regards each half lakh making up the first Rs. 2½ lakhs he will pay rates varying from 1 anna (*i.e.*, ordinary income tax alone) on the first to 3½ annas on the last. He is still favourably situated as compared with the wealthy taxpayer in England whose ordinary income tax would reach 5*s.* in the pound, while the super-tax might extend to anything up to 3*s.* 6*d.*

63. The introduction of a super-tax, assessed with reference to the individual's combined income from all sources, makes it necessary to improve our existing machinery so as to enable the assessing officer to require a person who may be *primâ facie* liable to the tax to declare his income from all sources, under penalty in the event of false declaration. We were in any case meditating the introduction of this procedure in respect of the ordinary tax to avoid the leakage which is already recognised as taking place under the existing Income-tax Act. I shall accordingly propose legislation to-day, providing for the levy and assessment of super-tax, and amending the existing Income-tax Act in the direction above indicated.

64. We desire on this occasion, as was the case last year, to confine our present legislation to what is essentially needful in order to carry out the scheme of taxation proposed. I fully recognise, however, that our income-tax machinery requires to be brought up to date in other respects also so as to cope with the altered state of things which has arisen since the Act of 1886 was framed. I hope to be able to take this in hand before long, but it would not be fair to ask the Council to pass subsidiary legislation of this sort with the haste required on the present occasion.

Lastly, I may say that while 'Income Tax' has hitherto been a divided head, the super-tax receipts are all required for Imperial purposes, and in order to avoid the complication of adjustments with the provinces such as were effected this year in connection with the addition to taxation then made, we propose to place super-tax receipts under a special sub-head which will be entirely Imperial.

65. The materials for an estimate of the probable yield of the super-tax are not as adequate as we should have wished owing to the fact that under the existing Act the profits of companies and interest on securities are assessed to income-tax at the source without reference to their ultimate destination, so that we have no particulars of their distribution between people who will in future be liable to the super-tax and those who will not be liable. On such information, however, as we can obtain we take the probable yield at £1,350,000.

66. The next source from which we propose to raise revenue is the export tax on jute. This was imposed in the current year at the rate of R2-4-0 per bale of 400 lbs. in the case of raw jute, with a special rate of 10 annas per bale on cuttings; and as regards manufactured jute at R10 per ton on 'sackings' and R16 on 'hessians.' Having regard to India's monopolist position in respect of jute production, which enables taxation to be normally passed on to the consumer, we propose to double the rates above mentioned and thus to obtain an additional revenue of £500,000. This figure would have been higher but for the present freight and exchange difficulties, and the recent restriction on export to the United Kingdom. In making this estimate we have allowed for the exemption of jute, whether raw or manufactured, exported in pursuance of War Office contracts and, as was done in the current year, we propose to exempt from the extra duty forward contracts which have been entered into before the present date and which do not contain a provision for enhancement of price with reference to any future increase of duty.

67. The taxation already described will yield us in all £1,850,000. The way in which we propose to make the bulk of the remaining provision required is one which will, I think, be received with satisfaction in this Council and in the country generally, while the incidence of the tax will be of much more general application than that of the imposts above described. It will be remembered that in introducing the Financial Statement for the current year, I said that we had been anxious to raise the duty on imported cotton goods, while leaving the cotton excise duty, which has formed the subject of such widespread criticism in this country, unenhanced, subject to the possibility of its being altogether abolished when financial circumstances are

more favourable. But His Majesty's Government held that in the then circumstances such a course would be undesirable, and decided to leave the cotton duties question to be considered later on ' in connection with the general fiscal policy which may be thought best for the Empire and the share, military and financial, that has been taken by India in the present struggle.' To-day I am able to announce that in view of the taxation required to make our war contribution worthy of India and of the place we desire her to hold in the Empire, His Majesty's Government have now given their consent to our raising the import duty on cotton goods from 3½ per cent. as it now is, to 7½ per cent., which is our present general tariff rate. The cotton excise duty will remain at 3½ per cent. There can be no question of our doing away with an impost which is estimated to produce about £320,000 next year at a time when we have to impose extra taxation. By this means we estimate that we can get an additional £1 million. I am sure that the action of His Majesty's Government, following as it does on their recent association of India with the special Imperial Conference called in connection with the war and the measures to be taken thereafter, will meet with the greatest appreciation in India.

68. For reasons which I explained in my last year's speech (paragraph 50) in connection with the increase of customs duties then proposed, the enhancement of duties above indicated in respect of imported cotton goods and jute exports must come into effect at once, and I shall, during the present sitting, introduce a Bill embodying the legislation required. The application of these duties during the current month will yield about £80,000 and the receipt figures of the Revised Estimate must be added to accordingly. This has been done in the statement in paragraph 70.

69. Finally, we have decided to impose, as a war measure, a surcharge on railway goods traffic at the rate of one pie a maund on coal, coke and firewood and two pies a maund on other articles. We have advisedly taken a low uniform rate so as to avoid, as far as possible, the necessity for special adjustments in regard to short distances or particular classes of traffic. Some details in respect of this taxation are still under consideration, but the action necessary in connection with its imposition will be taken as soon as possible. The yield is estimated approximately at £½ million, and we thus obtain the amount that we require to finance our War contribution, and leave ourselves with a surplus £130,000, which is little enough having regard to the circumstances of the time.

70. I am now in a position to give a statement, superseding that shown in paragraph 51, which includes, as regards Imperial transactions, our war contribution of £6 million and the additional taxation of £3⅓ million we propose to raise.

[In millions of pounds.]

	Revised, 1916-17.			Budget, 1917-18.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue	64·883	31·951	96·834	66·563	32·288	98·851
Expenditure	59·065	30·390	89·455	66·433	32·386	98·819
Surplus + or Deficit (−)	+5·818	+1·561	+7·379	+·130	−·098	+·032

Revenue and Expenditure—Provincial.

71. The Provincial revenues are taken in the new Budget at £32·3 million and the expenditure at £32·4 million, the deficit, to be met by drawings on Provincial balances, being thus restricted to about £100,000.

An increase of revenue is anticipated in all the provinces, except the United Provinces and Bihar and Orissa. In the former case the current year's revenue has

been inflated by extra receipts from irrigation, the demand for which, owing to good rainfall, is expected to decline in the coming year. The reduction in Bihar and Orissa is nominal, being due to the non-recurrence in the Budget of 1917-18 of a special assignment from Imperial revenues for the new High Court buildings, which was included in the Revised Estimate of the current year. Provision has been made in all provinces for a substantial increase of expenditure.

I have once more cordially to acknowledge our obligation to the Local Governments for their continued assistance in carrying out the policy, which the war has forced upon us, of conserving our balances and refraining from new expenditure which is not immediately necessary or remunerative. The extent of this co-operation is indicated by the substantial growth of Provincial balances in the current year and the very small amount which the Local Governments propose to draw from them in 1917-18.

1917-18—Ways and Means.

72. Allowing for the fact that the proceeds of our War Loan in India will be given to His Majesty's Government and thus appear as expenditure also, the only items in connection with our Ways and Means programme which require special mention are the following :—

Outlay.	£ million.		*Resources.*	£ million.	
Provincial deficit		0·1	From balances		1·1
Capital expenditure—			Imperial surplus		0·1
Railways	3·6		Unfunded debt		2·0
Irrigation	0·6	4·5	Special war receipts		0·6
Delhi	0·3		Credit for silver purchased in 1916–17.		1·7
Discharge of debt		0·9			
TOTAL ...		5·5	TOTAL		5·5

73. The circumstances which militate against any large capital outlay on Railways still continue. We hope to provide £3·9 million for expenditure in 1917-18, but it is anticipated that the sum brought to account will be reduced to £3·6 million by the further issue of stores for war purposes. The amount allotted for lines under construction is £94,000 mainly for the Nushki Extension, which has been undertaken for military purposes and partly completed in the current year. The balance of the programme provision will be devoted to open line works, and owing to difficulties in obtaining materials from Europe, the outlay in India will be mainly on works requiring a minimum of imported materials.

The provision for irrigation closely follows the actuals of the current year and represents the full amount which the Local Governments and the irrigation authorities can arrange to spend in the coming year. In the case of Delhi we are again providing a minimum amount.

The allotment under " Discharge of debt " provides for the further discharge of India Bonds as they fall due in ordinary course in 1917-18, and for the repayment of a temporary loan of R50 lakhs which His Highness the Maharaja Sindhia patriotically offered at the commencement of the war.

74. Coming to the Resources side, I have already referred to the Imperial surplus which is set off by an almost equivalent Provincial deficit. The estimate under Unfunded Debt allows for some increase of postal savings bank deposits during the year, and also for the receipts of certain Railway Provident funds which will shortly be taken over by Government. The special war receipts mainly represent the further proceeds of the hire of enemy ships.

75. In addition to the receipts above mentioned, we shall also recover £1·7 million which, as I explained in an earlier part of my speech, represents the unadjusted value of silver purchases towards the end of the current year, while we draw to the extent of £1·1 million on the cash balance of £18·1 million which we expect to have at the end of the current year. Thus we expect, after providing for the liabilities enumerated above, to close the coming year with a cash balance of £17 million, of which £5·2 million will be held in England and £11·8 million in India.

This result is based on the assumption that we shall have to incur in India about £37½ million of war expenditure recoverable from His Majesty's Government, and that our war loan operations will enable us to raise not less than £10 million—I shall be only too happy if it proves to be more—which amount the Secretary of State must disburse to His Majesty's Government at home. We should thus put him in funds to a net amount of £27½ million. With this amount of net remittance and by drawing on his cash balance to the extent of £½ million, he will be able to provide £22·5 million for his ordinary expenditure in London inclusive of capital expenditure and the usual instalment in discharge of India bonds, and about £5·4 million in respect of the war contribution, the remainder of the £6 million provided for that contribution being charged off in India as interest and discount on our war borrowing.

It will be observed, then, that in the coming year we expect that the remittance requirements of the Secretary of State will be met by his recoveries from the War Office without resort to Council drafts. This does not of course imply that Council drafts will not be sold to meet the demands of trade. The Secretary of State will meet such demands as far as he can without undue depletion of our resources; but his drawings will have to be specially financed by fresh purchases of silver or through the Paper Currency Reserve so far as these can meet them, and it is hardly necessary to say that, in the difficult circumstances of the time, the usual reservation as to the complete discretion of the Secretary of State in this matter applies in a very practical way.

Our War Loan Arrangements.

76. I now come to our proposed war borrowing, the proceeds of which are to form a contribution from India to His Majesty's Government. We have been somewhat criticised for not stating our terms earlier and coming into the market concurrently with the Home Government. I need hardly say that this has not been due to any conventional wish on our part to reserve all financial announcements of public interest for the Financial Statement: we would gladly have come forward earlier if that had been possible. The slight delay is due to the fact that we had to consider very carefully what terms to offer, and how to make our proposals most attractive, and this had to be done in close consultation with the Home Government who have a predominant interest in the results. We were already considering the matter before the British War Loan was announced, and I discussed it confidentially in Calcutta in January with representatives of the Presidency Banks. But any conclusions so reached could only be provisional and had all to be reconsidered in the light of the Home Government's terms, which were not then within our knowledge.

We are pledged to giving terms not less liberal ourselves, and desire to discharge that pledge fully. Independently, too, of what the particular Home terms might be, we had to consider what form of borrowing was best suited to Indian conditions and most likely to make it possible for patriotic supporters of our loan throughout the country to give a maximum response. Finally, we have to create opportunities for the small investor—a class which has been too neglected in India. We want to cover the whole field, and leave no class of investor unprovided for.

77. I may say at once that in this matter we feel no hesitation in imitating closely the methods of the Home Government. Their recent loan was on a long-term basis, but prior to its issue they were borrowing considerable sums by Exchequer Bonds with a few years' currency and carrying five, and eventually six, per cent. interest. Concurrently with this there was a system of war saving certificates under which the deposit of a small sum accumulating at compound interest entitled the lender to a handsome return at the end of five years, while he could always get his certificate cashed if he needed money before the five years were over. We propose to

offer opportunities for lending in all these three forms; and in the case of the long-term loan we must also offer some opportunity for the conversion of $3\frac{1}{2}$ per cent. cent. and 3 per cent. paper in pursuance of the promise which I gave last year. Going beyond this promise, we also intend to allow the conversion of holdings in the 4 per cent. loan of 1916, so that those who supported us on that occasion may not feel that they have been left at a disadvantage.

78. We shall publish our Loan Notification to-day, and I will lay it on the table on the conclusion of my speech. But some general explanation of our scheme will, I think, be helpful to the Council and to the wider public outside.

The Home Government's recent long-term loan was in two forms: one was a loan issued at 95 and carrying 5 per cent. interest, the interest return being liable to ordinary income tax (save in the special case of holders living outside the country) as well as to super-tax. The other was a loan issued at par and carrying 4 per cent. interest, the interest being exempt from all ordinary income-tax, present and future, but not from super-tax. We propose that our long-term loan shall be in the first of these two forms, and shall have the same currency as the British loan, *i.e.*, that it must be discharged in 1947, but may be repaid, on due notice, at any previous date from 1929 onwards. The loan being issued at 95, the nominal rate of interest is really a full $5\frac{1}{4}$ per cent., without regard to the further gain in capital when the loan is redeemed. This form of borrowing should, we think, prove attractive to those who are anxious for a long-term investment. We have not thought it desirable, having regard to the much lower rate of interest which the Home Government have attached to their income tax-free loan, and to the danger of perplexing the public by a needless variety of options, to offer this alternative in the long-term form. But those to whom freedom from income tax is a desideratum will find their wishes met by the terms we offer for short-term bonds.

79. As regards conversion terms, having conceded a rate of interest equivalent, as I have explained, to $5\frac{1}{4}$ per cent., we cannot, of course, as we did last year in connection with our 4 per cent. loan, give further attractions, equivalent to a substantial indirect addition to the main rate of interest, through the fixation of the conversion rates. We are going as high as we can in taking a practical $5\frac{1}{4}$ per cent. rate, and must value the paper to be converted at a figure approximating much more closely than was arranged last year to its true market value as determined by the higher rates of interest now established in India and the world generally. We have also to take into account the fact that the new loan will not be issued at par but at a discount of 5 per cent. Taking these factors into consideration, the conversion rates we have fixed as fair are that every R100 of the 4 per cent. loan shall be accepted as equivalent to R92 of our new loan, while the corresponding rates for the $3\frac{1}{2}$ and 3 per cent. paper will be R76 and R65 respectively. I am speaking in each case of face values. Thus, to take a single example, a person who has obtained conversion rights entitling him to convert R600, face value, of $3\frac{1}{2}$ per cent. paper will have that paper converted into our long-term loan at R456. But it must be remembered of course that the loan is only issued in denominations of R100. Consequently, while the holder can obtain R400 in any case, he can only obtain R500 by subscribing the cash equivalent of R44 (nominal) of the new loan, and for the sake of simplicity we shall fix the cash discount at one anna per rupee of nominal value. The necessity for such cash payments will of course be greatly obviated in the case of large holdings of old paper. Thus, a man who has conversion rights of R60,000 of old $3\frac{1}{2}$ per cent. paper could obtain for this R45,600 of our new loan, and need not put up any extra cash at all. Further, persons who wish to reduce their cash payments will often be able to do so by selling part of their conversion rights.

80. I am sorry that this business of conversion involves arithmetical complications which make it difficult for the smaller investor to follow the intended procedure. There is no possibility of evading this complexity altogether, and that is another, and I think a quite imperative reason why the main attractions of our loan must be concentrated in the substantive terms. We cannot afford to hide them away in conversion rates, the true significance of which will only be realized by persons accustomed to the rather difficult calculations involved in valuing them. Our loan

must stand or fall on the plain straightforward terms which everyone can understand and pass on to his neighbour, though we are as a matter of fact giving better conversion rates than recent market quotations of our old paper would have suggested.

We are avoiding, or at any rate mitigating, one complication incidental to last year's procedure and that is in the manner of defining the amount of paper which a given subscription will enable a holder to convert. Last year the formula was that a subscriber of a given amount to that year's loan could tender such amount of paper as, when converted at the prescribed rate, would yield a further amount in the new loan equal to that already purchased. This involved troublesome calculations and adjustments in regard to broken sums. This year we are adopting a simple uniform rule which repeats, and indeed in this respect goes beyond, the privilege conceded last year, but does not entail any difficult calculation. The rule will be that for every R100 face value of new paper issued, R150 face value of old paper may be converted, whether it be 4 per cent., 3½ per cent. or 3 per cent.

We are also, as the example I have given will have shown, simplying the rule for the calculation of the cash amounts to be paid to make up exact multiples of R100 in the paper obtained by conversion.

Finally, to avoid any future misapprehension, I may explain that, as stated in the Notification, the amounts to be handed over to His Majesty's Government will be the cash subscriptions which represent new money. The nominal amount of the loan will of course be augmented by old paper tendered for conversion, but this will not yield us any fresh assets.

81. We intend also, in connection with this long-term loan, to establish a special sinking fund similar to that promised in connection with the recent British War Loan. The arrangement there was that ⅛th per cent. monthly should be set aside for re-purchase of scrip of the new loan as long as the latter remained below par. This amounts to 1½ per cent. of the capital amount per annum. We similarly promise to apply 1½ per cent. per annum in the same way; but we do not undertake a monthly amount, as with the narrowness of the Indian market and its marked seasonal variations, this would not be entirely suitable.

82. To sum up then, the first option which we offer to the public is a long-term loan issued at R95, with interest at 5 per cent.; redeemable from 1929 onwards and in any case not later than 1947; supported by a special sinking fund; and carrying conversion rights in respect of all our existing long-term issues. That is the offer we make to the man who desires a semi-permanent investment.

83. We feel, however, that this will not do for the banks and financial houses, as well as many others who are willing to make a great effort in support of the War Loan but cannot, in justice to themselves, afford to lock up their money for an indefinite period. Indeed for such persons even a five year period may be too long. What we want to get is a maximum response, and we wish therefore to meet every requirement. We propose, therefore, also to issue short-term bonds, with three or five years' currency at the option of the purchaser and carrying a very attractive rate of interest. We originally proposed to fix this at 6 per cent. with liability to income-tax, but on expert advice as to the importance attached to freedom from income-tax present and future, we have decided to adopt an income-tax free rate of 5½ per cent. But—and here we follow the precedent set by the Home Government in respect of their *ex*-income-tax borrowing—we do not extend this exemption to super-tax.

84. Both the long-term and short-term issues will be open for subscriptions on the 15th of this month, and applications will be receivable up to the 15th June. They can be put in for sums of R100,* and multiples thereof, at any district treasury, as well as at the offices of the Accountants General, the provincial Comptrollers and the Controller of Currency, and the head and branch offices of our Presidency Banks.

In order to give ample facilities to people who desire to subscribe a good deal more than they could conveniently put up at any one time, we propose that all subscriptions of R200 and upwards shall, at the option of the subscriber, be payable

* This represents face value in the case of the long loan.

in five instalments, the first being paid on the date of subscription, while the other four will be liquidated by successive monthly payments. Further particulars will be found in the Loan Notification, and it will suffice to say here that under these arrangements the loan will remain open as regards final payments up to the 15th October, when the last instalment due on applications made in June will fall in.

85. As was done last year, we shall give brokerage to the amount of $\frac{1}{8}$ per cent. on new subscriptions to our loans, whether of the long-term or short-term issues, which are received through banks and recognised brokers. But this commission will not extend to conversion amounts.

86. As has been the case in the last two years, there will be a special Post Office section of the loan, which will be open alike in respect of the long-term and short-term issues, and to which subscriptions will be receivable at all post offices which do business as savings banks.

The provisions will be found in the Loan Notification, and I need only say here that, to suit small investors, the Post Office will receive subscriptions in units of R25 instead of in multiples of R100 as in the case of the ordinary section. This will render it unnecessary to introduce the complications of instalment payments into the Postal section of the loan; while, on the other hand, in order to allow full scope for payments, that section will remain open until the 15th October. This will enable people who are able to do so to make more than one investment.

87. We are also adopting a further method, which is intended to be a permanent measure, to bring the Government into relation with investors of a smaller class than it has hitherto reached, and which will have no time limit in respect of contributions thereby receivable.

Some of you may remember that when I visited Bombay at the beginning of August last my honourable friend Mr. Wachha, on behalf of the Indian Merchants' Chamber there over which he has so worthily presided, drew my attention to the desirability of issuing Government paper in quite small amounts to humble investors, and I replied as follows :—

"As you recognise, my policy since I took up my appointment has been in the direction of bringing Government into closer contact with the small investor, and I have already taken steps in the direction of improving the rules which regulate investment through the Post Office, and allowing larger sums than previously to be held in this way, and by the Post Office section of our loans, which will now, I trust, be a recurring feature of these. I should like, however, to go further and have Government Promissory Notes in small amounts which can be purchased at any time without any delay or complications. . . . . Such a scheme, however, requires very careful consideration, since an analogous measure—the stock-note scheme of 1882—proved a complete failure, owing largely to the fact that subsequent depreciation of Government paper rendered these notes transferable only at a loss. Moreover, the interest payments were necessarily very small and accrued yearly. Before embarking on any fresh scheme, I shall have to consider the matter very carefully, and see how we can avoid any like fiasco."

88. I have subsequently given the matter very full consideration, and after consultation with those best able to advise, and study of the method adopted by the Home Government in respect of their postal war-savings certificates, I am now in a position to announce the following scheme, which has received the assent of the Secretary of State.

It is proposed, with effect from 1st April, that small Government bonds or certificates of the eventual value, after five years, of R10, 20, 50, and 100 shall be constantly on sale at post offices, and that the amounts for which they can be purchased shall be so fixed that the amount repaid at the end of five years, that is, the full face value of the certificate, shall represent a return of about $5\frac{1}{4}$ per cent. compound interest. Thus, a R10 certificate will be purchasable for R7-12-0, a R20 certificate for R15-8-0, a R50 certificate for R38-12-0, and a R100 one for R77-8-0.

89. In view of the special privileges attached to these certificates, and to keep them in the hands of the class for whom they are meant and prevent them being bought up by speculators and large capitalists, the Government will not allow transfers of the certificates, except under special permission of a Postmaster-General,

or sell a larger amount than R7,500* to any one person. But the holder can obtain their repayment on demand at any time within the five years at the post office from which they were issued, or at some other office if he has in the meantime obtained transfer of his holding therto. Hence we style them ' Cash Certificates ' in the Notification. In order, however, to encourage the holding of the certificates for the full time, interest will not be allowed on withdrawals within the first year, while as regards those made subsequently, the interest, which will be calculated every three months, will be on an ascending scale, beginning at 4 per cent. in the first year and running up to $6\frac{2}{3}$ per cent. in the last. The following specimen table for a R10 bond shows how this system will work out as regards whole years, and the gradual increase in value of the original investment:—

	R.	A.	P.
Amount paid on purchase	7	12	0
Due at the end of 1st year	8	1	0
Ditto 2nd ,, ...	8	7	0
Ditto 3rd ,, ...	8	14	0
Ditto 4th ,, ...	9	6	0
Ditto 5th ,, ...	10	0	0

The amounts paid on these certificates will be free of income tax, and the certificates will be kept, if the holder so desires, in the custody of the Postal Accountant General.

When a certificate is presented for repayment or discharge at the end of five years, the holder will have the option of taking the full amount due to him in cash or of reinvesting it, wholly or partly, in a fresh certificate, and I trust that this method of re-investment will be more and more resorted to as time goes on.

90. This scheme avoids the main faults that wrecked the Government stock-note experiment in the early eighties, which was in effect merely an attempt to apply the conditions of an ordinary irredeemable loan to very small subscriptions. The investor gets a liberal compound-interest return for his money in addition to his original payment if he keeps his money with Government for the full five years' period, while if he desires to withdraw at any time within that period he can do so, and is still assured of getting back what he originally paid, with (after the first year) a good and increasing rate of interest; and both the investor and Government are saved the trouble of constant periodical payments of petty interest amounts.

91. I do not, of course, overlook the fact that the petty investor can already purchase Government paper through the post office in sums as small as R10 at a time, but the advantage of the present scheme is that he can invest more directly and simply, and that, as I have said, he is secure against any fluctuations in the value of Government paper. The scheme is one which has been evolved for permanent application, and though it would be unduly sanguine to suppose that it will attract large amounts at the outset, I hope that it will become increasingly popular as time goes on, and its advantages are more fully appreciated. In the coming year, however, anything that we get from this scheme will, like our ordinary borrowings, be handed over to His Majesty's Government, and it is with this course in view that we have fixed so high an interest return. It is possible that in years to come certificates of this type will be issued on a lower interest basis, and what I said a moment ago as to the holder of an expiring certificate being able to take out a fresh one is of course qualified by this condition.

92. I mentioned last year that we had decided, for the convenience of investors in large business centres, to introduce a new form of Government security in the shape of bearer bonds. The introduction of these bonds, with coupons attached, has been approved by the Secretary of State, and they will be issued in denominations of R100, R500, R1,000, R5.000 and R25,000 as soon as the requisite forms are received from England.

Bearer bonds will be freely exchangeable for any other form of security and *vice versâ*: but as a matter of administrative convenience, their issue in respect of past loans will at present be confined to the $3\frac{1}{2}$ per cent. loan of 1854-55, and the loans of 1915-16 and of the current year. Holders of any $3\frac{1}{2}$ per cent. loans can, however,

* This sum will be additional to the maximum amounts fixed for the holdings of ordinary Government paper through the Post Office, and for deposits in the Post Office savings banks,

obtain bearer bonds by having their holdings simultaneously transferred into the loan of 1854-55. Similarly, holders of the 3 per cent. loan of 1896-97 will be able to obtain bearer bonds by conversion of their holding into the 1854-55 loan on the terms on which the Government of India authorised the conversion of 3 per cent. paper into the $3\frac{1}{2}$ per cent. loan of 1900-01.

93. The following are other measures which we have taken in the course of the year to facilitate transactions in connection with Government loans:—

(1) To enable subscribers to our conversion loan of the current year to take advantage of the system of holding Government debt in the form of stock certificates, the conveniences of which were separately explained in a Notification, we offered applicants the option of obtaining such certificates on direct subscription to the loan, instead of the ordinary promissory notes negotiable by endorsement. Advantage was taken of this new feature of our loan procedure to the extent of R$1\frac{1}{2}$ crores.

(2) In order to facilitate investment in existing Governments securities by people residing in the *mofussil* to whom the Post Office rules may not be convenient or applicable, we have allowed such persons to deposit the purchase money at district treasuries and obtain remittance transfer receipts, free of charge, on a Presidency Bank.

(3) We have taken steps to enable the Presidency Banks, as Public Debt Offices, to waive, without undue loss to themselves, some of the formalities that have hitherto obstructed the transfer of Government promissory notes, as for instance inconsistencies in the spelling of names.

(4) We have simplified the Post Office investment rules and raised the limit up to which such investments will secure exemption from income tax to R15,000.

94. Finally, I repeat that we put no limits on the amounts we are prepared to receive on the present occasion in the way of loan subscriptions, and I fervently echo the hope expressed by Your Excellency in your opening speech this session that the amount subscribed will reach as large a figure as possible so that it may prove an offering to His Majesty's Government worthy of India and of her peoples and Princes.

Paper Currency and Gold Standard Reserves.

95. The following statement gives the active note circulation, *i.e.*, excluding notes held in reserve treasuries, and headquarter offices of the Presidency Banks, on the 1st February in each of the last 5 years:—

1913	51·29 crores.
1914	51·91 ,,
1915	45·09 ,,
1916	54·11 ,,
1917	67·90 ,,

Last year I pointed to the fact that the figure for 1916 was a record in the statistics of our active circulation, but this record has now been far passed. I have already—in dealing with exchange difficulties—alluded to the significance of this expansion and its connection with the measures we had taken in the direction of making our notes more popular and more easily cashable. I summarised these measures in my speech last year, but the operation of one of them has unfortunately had to be temporarily suspended: I refer to the decision not to re-issue any notes once presented at a currency office. We have most reluctantly had to discontinue this reform by reason of the fact that, owing to the scarcity of paper at home, the Bank of England, which supplies us with our notes, would have found it very inconvenient to send us the additional stocks which it involves. We intend, however, to resume our policy in this respect as soon as circumstances permit.

96. The following statement shows the holdings in the Gold Standard Reserve on the 1st April last, at the date of the last published statement, and as we expect them to stand on the 31st March.

[In thousands of pounds.]

—	Book credit in India.	Cash placed by the Secretary of State for India in Council at short notice.	Gold held in India.	Temporary loan to treasury balances.	Invested in London.	TOTAL.
1st April 1916	1	5,792	239	4,000	16,219*	26,251
31st January 1917 ...	—	6,003	163	3,500	20,104†	29,770
As estimated on 31st March 1917.	100	6,000	—	—	24,748†	30,848

* This represents the value of the securities as on the 31st March, 1916.

† This represents the value as on the 30th September, 1916 (the date of the last valuation of the securities then held and the cost price of securities purchased since that date.

The increase in the total holding is mainly due to the large amount of fresh coinage we have had to undertake. As I have already indicated, the column 'Temporary loan to Treasury balances' will now become blank, as we are able to pay off the whole of our borrowing from the Reserve and thus to increase the investments held against it.

97. I have already dealt very fully with the exchange position, and will only add here that the average rate of exchange in the current year, calculated on the Secretary of State's drawings, will amount to 16·150 pence per rupee against 16·087 pence in 1915-16.

Remarks on certain special heads.

98. I now proceed to furnish some supplementary information in regard to certain special and important heads:—

A.—Military Services.

99. The table below shows the gross and net expenditure on Military Services for the coming year and the four years preceding:—

—	GROSS.					Net, *i.e.*, deducting receipts.
	Army.	Marine.	Military Works.	Special Defences.	Total.	
	£	£	£	£	£	£
1913–14	19,789,239	512,845	947,297	16,384	21,265,765	19,896,113
1914–15	20,336,559	463,370	996,071	13,603	21,809,603	20,434,915
1915–16	21,893,200	745,513	850,866	13,514	23,503,093	22,261,353
1916–17 (Budget) ...	22,079,100	707,600	858,300	20,900	23,665,900	22,500,000
1916–17 (Revised) ...	24,512,000	744,600	1,533,700	29,500	26,819,800	25,350,000
1917–18 (Budget) ...	25,215,900	838,500	1,158,700	14,000	27,227,100	25,900,000

100. It is now estimated that the net military expenditure in 1916-17 will amount to £25·4 million or £2·9 million more than the Budget provision. I have already referred (in paragraph 14) to some of the main causes of this excess of expenditure. A rise in the price of stores of all kinds has also operated to increase our contribution to the Imperial Government for the maintenance of the troops with the Indian Expeditionary Forces; and it has been found necessary to proceed to a considerable expansion of the mechanical transport companies and Royal Flying Corps in India; and to meet a rise of expenditure in the Military Works Services. Besides the improvement of frontier roads already referred to, it has been necessary

to provide accommodation for the Flying Corps and the Aircraft Park, and to supply electric lights and fans in certain barracks and hospitals in pursuance of the now accepted policy in this matter; also to incur additional outlay on the construction of Indian Troops' Lines.

The receipts have exceeded anticipations by £304,000, chiefly by reason of larger recoveries from the Imperial Government for Dockyard services. Increased sales of dairy produce to the overseas forces, war hospitals in India, etc., have also contributed to the improvement.

Very little progress has been made towards the completion of the three Royal Indian Marine vessels now under construction at Home, and we have made provision once again for this retarded work in the 1917-18 Budget.

101. For the coming year the Budget has been fixed at £25·9 million net, or about £500,000 in excess of the abnormally high expenditure expected to be attained in the current year. I have already (paragraph 55) explained the necessity for this provision.

102. The contributions by Indian Princes and others towards the cost of the war have risen from £900,000, the sum mentioned in paragraph 82 of my speech introducing the Financial Statement of last year, to nearly £1½ million. Further large sums have also been generously placed at the disposal of His Excellency the Commander-in-Chief to be utilised in obtaining horses, motor cars, motor ambulances, comforts for troops, etc., or in any manner he may think advisable in the interests of the Army.

103. I take this opportunity to correct a statement which I have seen made that our medical expenditure has been less during the war than it was in the years preceding. This is a misapprehension. It is the case that the annual expenditure exhibited under Grant 8—Medical—has been less since the war began than it was in 1913-14; but that arises from the fact that in time of peace all such expenditure, except furlough charges at Home, is shown under Grant 8, whereas when troops take the field the extra outlay on the medical establishments accompanying them goes to the Special Service head under Grant 14. And under the normal cost arrangements sanctioned by the Houses of Parliament we pay just as much for medical establishments with the Expeditionary Forces as we should in time of peace. Adding, then, the amount so paid to the expenditure in India, the total amounts to £560,000 in 1914-15, £579,000 in 1915-16, and £593,000 estimated for 1916-17, whereas the net expenditure in 1913-14 was £480,000. As regards medical stores also our actual payments show an increase and not a decrease.

B.—Famine Relief.

104. This time last year I said that distress then existed in the Bankura and Tippera districts of Bengal; in the Manbhum and Singhbhum districts of Bihar and Orissa; in Ajmer-Merwara and in the Karauli State in Rajputana; but that the Kolhan Government estate in Singhbhum was the only area in which scarcity had formally been declared. Subsequently famine was declared in Bankura and scarcity in Merwara. Kathiawar was also added to the scarcity tracts, but the only relief measure found necessary there was the grant of gratuitous relief to a few hundred persons. The numbers on relief works and gratuitous relief in the famine-stricken area of Bankura reached their maxima of 22,558 and 25,724 in June and May, respectively. The maximum numbers on the test works in all the other affected areas have been 31,546, and on gratuitous relief 15,038. With the fall of good monsoon rains, and the consequent improvement in the agricultural situation, the numbers of people needing relief decreased, and by the middle of November relief operations had been finally closed in all the affected areas. It is anticipated, however, that some relief measures will be required again next year in part of the Kolhan estate where, owing to deficient and badly distributed rainfall in 1916, the early rice crop was a comparative failure. Assistance in the shape of agricultural loans was granted where necessary in the affected tracts, as well as in Assam, the Frontier Province and Baluchistan. Special railway concessions were granted for the carriage of fodder in the Punjab, Rajputana, Ajmer-Merwara and Bombay, and for the carriage of cattle also in Ajmer-Merwara; but the good monsoon has restored the supply of fodder, and these concessions have since been withdrawn.

105. The actual expenditure incurred on relief has therefore been on a very small scale, amounting to £77,000 only in the current year. There has in addition been an expenditure of £122,000 on account of concessions for the transport of fodder. The total expenditure charged to the head "33—Famine Relief" thus amounts to £199,000. For 1917-18 the expenditure at present anticipated on relief is £7,000 only, and including the cost of fodder concessions the total provision under the Famine Relief head stands at £29,000.

106. In the current year we provided £433,000 out of the Famine Insurance Grant of £1 million for protective works, and the actual expenditure is expected to amount to £354,000. The Famine Relief outlay of £199,000 mentioned above is a first charge on the balance of the grant, and £447,000 is available for the reduction or avoidance of debt, of which £349,000 comes under the Imperial and £98,000 under the Provincial section.

107. In the coming year we have set apart £420,000 for protective irrigation works, and expenditure on Famine Relief is expected, as I have already said, to amount to £29,000 only, so that a sum of £551,000 will be available for reduction or avoidance of debt. It will no longer, however, be necessary to divide this sum between Imperial and Provincial by reason of the new arrangement I shall now explain.

108. I mentioned last year that, in pursuance of a promise given in response to a resolution moved in this Council by my friend the late Rai Sri Ram Bahadur, we were considering the desirability of improving the existing scheme for regulating the distribution of expenditure on famine relief between Imperial and Provincial resources. The scheme referred to is that outlined in paragraphs 48 to 57 of Sir Edward Baker's speech introducing the Financial Statement for 1907-08. Our examination of the question was primarily directed to the possibility of a rectification of certain minor inequalities as between different provinces. But we also desired to remedy a grave defect of the present system which makes the assistance to Provincial expenditure dependent upon the gradual building up of famine credits for each province, with the result that there is no adequate provision for the case of a province which, after the exhaustion of its credit by one famine, is very shortly afterwards attacked by another. On considering the difficulties attendant on the modifications of the existing scheme which first suggested themselves, we came, however, to the conclusion that it would be better to abandon the present system, with its complicated book adjustments, altogether and to treat head "33—Famine Relief" as an ordinary divided head, the Imperial share being taken in each province at three-quarters and the Provincial at one-quarter, a distribution which represents approximately the assistance which Imperial revenues actually give in the long run towards famine expenditure under existing arrangements.

109. This proposal has met with general favour from Local Governments, and the Secretary of State has sanctioned its introduction with effect from 1st April next. The result is that we get rid of the complications and inequalities of the existing system, and that whenever famine expenditure is incurred one-quarter of it only will fall on the Local Government. Famine relief will, in this connection, include expenditure incurred during a period of observation and test when famine is not actually declared, and also, subject to certain safeguarding conditions, outlay under a special prophylactic system adopted in the Central Provinces by which an expansion of the ordinary civil works programme takes the place, so far as possible, of special famine relief works. The new system will, as I have said, be much more simple than the old, and is expected not to impose any greater eventual burden on the Local Governments. On the contrary it puts a province which may be afflicted by two famines within a relatively short period in a much better position than would be the case under the present system, while at the same time effectively maintaining the principle of Provincial responsibility for the economic administration of famine relief. There may, no doubt, be occasions, though I trust that with the growing prosperity of the country these will be rare, when a famine is so serious that a Local Government is unable to meet its full share of the expenditure required without undue depletion of its balances. In that case, as under the existing scheme, special arrangements will be made for the relief of Provincial finance when the Local Government's balance has been reduced below half the prescribed minimum.

110. The result of this scheme is, of course, to sweep away the book famine credits which would otherwise on 1st April have been recorded against the various

Local Governments, and to make expenditure from the Famine Insurance grant in connection with the reduction or avoidance of debt once more a wholly Imperial charge.

C.—Expenditure from special grants for education, sanitation, &c.

111. I give below a table similar to that exhibited in paragraph 86 of my speech last year, showing the special grants made for these purposes from 1911-12 onwards and the extent to which they have been utilized:

[In thousands of pounds.]

—	Total grants given (1911–12 to 1917–18).		Total expenditure incurred (1911–12 to 1917–18).	Balance expected to be available on 1st April, 1918.
	Recurring.	Non-recurring.	Non-recurring.*	
(1) Education	954	3,269	2,334	935
(2) Sanitation	245	1,755	1,218	537
(3) Medical relief, etc.	—	58	55	3
(4) Agriculture, etc.	—	177	171	6
(5) Grants for other special purposes ...	—	1,562	1,474	88
(6) Grants for general purposes (Discretionary grants).	—	667	408	259
Total ...	1,199	7,488	5,660	1,828
Add—Savings on recurring grants during foregoing period (about)				761
Total amount expected to be available from special grants on the 1st April, 1918 ...				2,589

* Non-recurring figures only are given, as the recurring grants are treated as having been fully worked up to, any savings obtained from those grants in particular years being added at the foot of the statement.

In view of war conditions, we have again had to ask Local Governments to restrict drawings on their balances, which include the unspent remainder of these special grants. But any outlay thus postponed is merely deferred till normal times return.

112. I showed, by figures cited in paragraph 30 of my speech already referred to, that the Government of India and the Local Governments, in carrying out the policy of retrenchment which the war has necessitated, had refrained from pressing with undue rigour on outlay under education, medical and sanitation. On the contrary, as indicated in paragraph 57 above, we have now, notwithstanding the drain on our resources conditioned by the war, made a fresh recurring grant for improving the training and pay of teachers.

D.—Financial position and powers of Local Government.

113. The financial history of the provinces must continue to be one of severe restriction of expenditure so long as the war lasts, and I have already indicated the main results in the Provincial section of the Revised Estimates and the coming Budget. As there explained [paragraph 54-(7)] our Budget figures include a special allotment to the provinces of £158,000, with reference to the allocation of the profit

under the wheat scheme. I have also, in section C preceding, made a reference to expenditure on education, sanitation and medical relief, while in section B I have explained the new arrangements to be adopted in respect of famine expenditure. I need only therefore refer the Council for further information to Statement D of the Financial Statement, which brings together the revenue and expenditure and balances of the various provinces with which we have regular financial settlements for the past, current and coming years.

114. I mentioned in my last year's speech that we were progressing with the problem of defining and enlarging the financial powers of Local Governments and of authorities subordinate to them, and that we hoped to evolve a systematic and liberal scheme of delegation which would deal satisfactorily with many questions of decentralisation, as well as matters of audit control. The Secretary of State has now sanctioned our proposals and the main features of these are as follows.

115. In the first place, the powers of the Local Governments have been extended in several matters affecting expenditure which is either entirely Provincial or divided according to the terms of the provincial settlements between Imperial and Provincial, and speaking generally Provincial Governments will hereafter in respect of such outlay exercise exactly the same powers as the Government of India themselves.

In the case of expenditure which is wholly Imperial, but is incurred by Local Governments as agents of the Government of India, the Local Governments' powers must obviously be restricted, but they have now been given larger discretionary powers than they previously possessed.

116. Another matter of much practical importance in regard to decentralization is the position of heads of departments and other responsible officials in the matter of expenditure. Hitherto these officers have possessed certain limited powers which for some time past we should have been glad to have been able to expand. It was decided however by Lord Morley some years ago that for the time being no such expansion could be allowed without the consent of the Secretary of State in each individual case. It was recognised that this arrangement could only continue until fully considered arrangements for delegation had been worked out, and this has now been done. Having regard to the very different status and functions of the various officers concerned, it was impossible to treat them all on a like basis, and the solution which has been arrived at is what may be termed a discretionary one: that is the Secretary of State has now approved a set of fundamental rules which define not the actual powers to be exercised by each head of a department or analogous official, but the maximum extent to which powers may be delegated by a Local Government without reference to the Secretary of State or to the Government of India. It is not, of course, intended that Local Governments should extend powers to their heads of departments by one comprehensive or general sanction. In each case the circumstances of the department will have to be considered and power conferred only when some real administrative convenience is obtained thereby. But for the future the decision to delegate or not will rest mainly with the authority best acquainted with the facts, namely, the Local Government. The Government of India will exercise like powers of delegation in respect of officers directly under them. The success of the system must obviously be largely dependent on the comprehensiveness of the fundamental rules which regulate its scope; and it is from this standpoint that I regard the new arrangements as an important and promising departure.

117. The powers of which I have been speaking are those which are exercised in the creation of new appointments, grants to local bodies and the like. But some measure of decentralization is equally desirable where special sanction is required to the relaxation of rules in our financial codes, and a number of amendments have recently been made there with that object. Into the details I need not enter, but I may mention very briefly the principle that has been adopted, adding, however, that here again the significant point is in the generality of the method of treatment adopted. The Secretary of State will reserve to himself the right to decide what particular powers or general classes of powers should be held to be a suitable subject-matter of delegation. The Government of India will decide on a reference from the Local Government, but without referring themselves to the Secretary of State, whether a

particular officer may be regarded as a head of a department for the general purposes of the delegation scheme. It will then rest with the Local Government to delegate, or to refuse to delegate, all or any of the approved powers to any given authority who has been admitted to this status.

118. While the facts I have here set forth will perhaps appear unattractive to the general public, I can assure the Council that the net result will be a very considerable increase in the discretionary powers of Local Governments and their principal officers, and the avoidance of much correspondence which would otherwise have taken place on relatively petty matters.

E.—Railways (Capital outlay).

119. The following statement gives the figures of Railway capital expenditure on State-owned lines included within the Railway programme for the coming year and the four years preceding:—

——	1913-14.	1914-15.	1915-16.	1916-17 (Revised).	1917-18 (Budget).
	£	£	£	£	£
Open lines including rolling stock ...	10,303,100	10,534,300	3,864,200	708,200	3,505,700
Lines under construction—					
(*a*) started in previous years ...	1,871,500	898,800	627,100	279,700	94,300
(*b*) started in current year ...	131,700	—	—	530,000	—
Total ...	12,306,300	11,433,100	4,491,300	1,517,900	3,600,000

When presenting the Financial Statement for 1916-17, I stated that our financial position permitted of our providing only a £3 million capital programme for Railway expenditure during 1916-17, and I have already explained why we have been unable to work even up to this figure. For the next year we are again obliged to curtail our expenditure within very narrow limits though it is possible to provide for a slightly more liberal programme than in 1916-17.

120. We have been obliged to exclude any provision for new lines with the single exception of the Nushki Extension which, as I have already mentioned, was required for military purposes. Apart from this special project, for which £73,300 has been provided, the amount allotted for construction is confined to the small sum of £21,000 which is to be utilised on certain lines in progress, viz., Parvatipur-Singapur, Itarsi-Nagpur and the Overhead connection on the Great Indian Peninsula line at Bombay. Work on these lines has been practically closed down, and the small provision made is to meet necessities which cannot be postponed without loss or damage to existing structures.

121. On ordinary capital works and equipment incidental to the upkeep of existing open lines, we propose to spend £3,505,700. Apart from considerations of economy, our programme in this respect has had to be seriously curtailed in consequence of the extreme difficulty of obtaining material from England, and the expenditure in the coming year will be devoted to works which entail the minimum importation of materials from Europe. It is however hoped that it will be possible to arrange for the replacement from England of some of the rolling stock which has been actually surrendered by railways for military purposes, where such replacement is shown to be urgently necessary.

122. The construction of railways by branch line companies has also received a temporary check, owing to difficulties in respect of raising capital in the open market and obtaining permanent-way material and rolling stock. Activity in this direction has thus been restricted in the current year to the raising of capital for four new projects aggregating a total of 81 miles. Of these, the Trichinopoly-Pudukkottai Railway (32 miles) in Madras is a Native State line for which funds will be provided by the Pudukkottai Durbar; the Raipura-Panposh Railway (16 miles) in Bihar and Orissa is to serve a lime-stone quarry and the funds for its construction will be privately obtained; the Arakan Light Railway (18½miles) in Burma is necessary to prevent expenditure already incurred from becoming unremunerative; and the conversion of the Teesta-Kurigram Railway (14½miles) in Bengal is designed to set free material required for the Khulna-Bagirhat Railway, the construction of which had previously been sanctioned. The only other issues of capital during the year were for the completion of lines already in progress.

The raising of capital for 188 miles of railway previously sanctioned for construction by branch line companies and district boards has also been deferred owing to the war.

In order, however, that there may be no delay in resuming construction when conditions are again normal promoters are allowed to discuss in advance the terms for the flotation of branch line companies after the close of the war. Concessions have thus already been granted for two miles—the Shahdara-Narowal Extension (48 miles) in the Punjab and the Kurigram-Chilmari Extension (21 miles) in Bengal; and negotiations with several other branch line companies and district boards are at an advanced stage.

123. The following figures show the capital outlay on all State lines up to the end of each year from 1913-14, and the net return obtained after deducting working expenses and interest charges:—

[In thousands of pounds.]

—	1913–14.	1914–15.	1915–16.	1916–17, Revised.	1917–18, Budget.
	£	£	£	£	£
Capital at charge at end of each year...	351,302	361,560	364,858	365,116	367,393
Net working profit from railways excluding interest charges.	17,616	15,614	17,797	20,769	20,102
Percentage of net working profit to capital outlay.	5·01	4·32	4·88	5·69	5·47
Net working profit from railways after meeting interest charges.	4,790	2,158	4,075	6,796	6,106
Percentage to capital outlay of net profits after meeting interest charges.	1·36	·60	1·12	1·86	1·66

124. The return on Railway capital (excluding interest charges) was estimated in the current year's budget at 4·49 per cent. We now estimate it at 5·69 per cent. in consequence of the large increase in net railway earnings which I have already dealt with in my review of the Revenue estimates. For next year we put it at 5·47 per cent. consequent on the smaller estimate of net earnings provided for in the Budget.

The charges for interest in the current and ensuing years work out to 3·83 and 3·81 per cent. respectively on the capital outlay, so that the final net profit on railways in each of these years is 1·86 and 1·66 per cent. respectively. These interest charges include certain annuity and sinking fund payments which really go to the discharge of debt.

F.—Irrigation (Capital outlay).

125. The financial position of our great Irrigation undertakings may be gathered from the following table which brings up to date the information given in connection with previous Financial Statements. The figures are in thousands of pounds :—

Particulars.	1913–14.	1914–15.	1915–16.	1916–17 (Revised).	1917–18 (Budget).
1	2	3	4	5	6
	£	£	£	£	£
Productive Works.					
Capital outlay to end of each year ...	34,645	35,777	36,603	37,276	37,880
Total receipts, including land revenue due to irrigation.	4,338	4,325	4,394	4,562	4,716
Total expenses, including interest on debt.	2,306	2,452	2,549	2,568	2,613
Net profit	2,032	1,873	1,845	1,994	2,103
Percentage of net profit to capital outlay.	5·87	5·24	5·04	5·35	5·55
Protective Works.					
Capital outlay to end of each year ...	4,796	5,345	5,853	6,215	6,615
Total receipts, including land revenue due to irrigation.	112	101	118	106	109
Total expenses, including interest on debt.	213	247	277	291	305
Net loss	101	146	159	185	196
Percentage of net loss to capital outlay.	2·10	2·73	2·72	2·98	2·96
Minor Works and Navigation.					
Direct receipts	263	254	267	288	283
Expenditure	914	986	869	781	827
Net loss	651	732	602	493	544

126. The total length of main and branch canals and distributaries which had been constructed on irrigation works of all classes up to the end of the year 1915-16 amounted to 63,583 miles, and it is expected that this figure will be increased by over a thousand miles during the current financial year. These channels command an area of over 50½ million acres of culturable lands, of which approximately half was irrigated during the year ended 31st March, 1916, and it is estimated that at least an equal area will be irrigated this year.

127. In addition to the works in operation, there are 42 major projects, 20 being productive and 22 protective, which are either under construction, awaiting sanction or being examined by the professional advisers of Government. They are estimated to extend the benefits of irrigation to an area of over 9½ million acres out of a culturable command area of 22½ million acres, at a cost of £35 million.

128. No new works of any magnitude were sanctioned during the year. The project for the utilisation of a part of the water-supply of the Sarda river for improving the irrigation of the Rohilkhand canals in the United Provinces was submitted

to the Secretary of State for sanction. He has, however, decided to defer sanctioning it until a definite decision has been arrived at regarding the utilisation of the balance of the available river supply.

129. On the 30th March 1916, the Government of India ratified the award in the Cauvery arbitration case. This enables the Mysore Durbar to construct a large reservoir on the Cauvery at Kannambadi, and will affect the scope of the Metur Reservoir projected by the Madras Government. An amended estimate providing for the necessary alterations has been prepared and is now under the consideration of the Government of India.

130. In the Punjab a scheme known as the Haveli project has been drawn up, and provides for canals taking off the Chenab river immediately below its confluence with the Jhelum, designed partly for the irrigation of the tracts lying contiguous to the river on both its banks and partly for improving the supply to the Sidhnai and the Chenab Inundation canals in the Multan district. This scheme, and that known as the Sutlej Valley project, are being further considered with a view to determining their combined effect on the existing inundation canals lower down the rivers. Projects are also under examination for a canal taking off the river Indus near Kalabagh for the irrigation of the desert tract in the Sind Sagar Doab known as the Thal, and for a large storage reservoir on the Sutlej to improve the cold weather supply of that river.

131. The Kistna reservoir and the Sukkur barrage projects in Madras and Sind respectively are still under investigation. An important scheme for embanking the left bank of the Irrawaddy river in Burma, which is estimated to reclaim about 500,000 acres of land to rice cultivation, is also under consideration.

132. In Bombay, progress on the Nira Right Bank canal and the Pravara irrigation system has been hampered by labour and freight difficulties.

In the United Provinces, work on the construction of permanent head-works of the Ganges canal at Hardwar is approaching completion.

The Twante canal in Burma was opened for traffic at the end of January 1917. The completion of this work was somewhat delayed on account of the transfer to Mesopotamia of one of the dredgers employed on it.

The Weinganga canal in the Central Provinces was opened for irrigation during the year, but the supply was interrupted by a serious breach in the main dam, repairs to which will somewhat delay the development of irrigation.

G.—Delhi Expenditure (Capital Outlay).

133. The expenditure for the current year under head 51 is expected to amount to Rs. 40 lakhs, or Rs. 10 lakhs less than in 1915-16. This reduction has been attained by a smaller work programme and by a considerable reduction in the engineering staff.

The aim during the present year has been to leave untouched the larger schemes of sanitation, water works, drainage and irrigation, which require the use of imported materials, but to continue such work on the central buildings and other features of the New City as can be carried on without the use of materials which have become difficult or expensive to procure owing to the war, and to maintain the output of brick fields and quarries and the preparation of sites and roads. A moderate rate of progress has been maintained in the case of Government House, the Viceroy's Court, the Secretariats and the great *Place*. Progress has been made with the task of levelling sites and opening up roads. A considerable addition of manufactured brick and dressed stone has been made to the stock of material. There has also been progress in the work of moving and collecting material at the various sites where it will be required eventually. Trees have been planted on a number of the avenues and roads.

It is expected that Rs. 40 lakhs will again be needed to carry on the work on similar lines in the year 1917-18.

Conclusion.

134. Now, my Lord, I need not detain the Council longer. This year's Budget is once more marked by a large imposition of fresh taxation, but this is required not for our own local purposes, but in the interests of the Empire. We are now supplementing the assistance India has already given in the colossal war which her Sovereign has had to undertake in defence of civilisation and national liberties by a further pecuniary offering which will mark the vital interest which she has in this great struggle.

In your opening speech this session Your Excellency has indicated that such a policy is in full accord with the Resolution passed in this Council on the 8th September 1914, supplemented by that of the 24th February 1915, to which I have referred in the body of my speech. I have already explained why we could not previously comply with those Resolutions to the full extent we should have wished. The time has now come at which we can rise to the heights to which they pointed, and I trust that the measures we propose at this time of war stress and need will receive full acquiescence in this Council and in the country.

135. In conclusion I desire once again to express my heartfelt acknowledgments to the officers of the Finance Department for the way in which they have dealt, in their various spheres, with the very difficult conditions through which we have passed during the current year and which are likely to continue throughout the year to come. I can only repeat what I said in previous years that I am most deeply indebted to their loyal and efficient aid.

W. S. MEYER.

Delhi, March 1st, 1917.

FINANCIAL STATEMENT

OF THE

GOVERNMENT OF INDIA

MARCH 1917.

ACCOUNTS	1915–16
REVISED ESTIMATES	1916–17
BUDGET ESTIMATES	1917–18

CONTENTS.

	PAGES.
I.—GENERAL STATEMENT of the REVENUE and EXPENDITURE charged to REVENUE of the GOVERNMENT of INDIA, in INDIA and in ENGLAND.	40—41
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND.	42—43
A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND	44—45
B.—STATEMENT of the EXPENDITURE charged to the REVENUES of INDIA, in INDIA and in ENGLAND.	46—49
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND.	50—53
D.—STATEMENT of REVENUE, EXPENDITURE, and BALANCES of PROVINCIAL GOVERNMENTS ...	54
E.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND.	55

I.—General Statement of the Revenue and Expenditure charged to

—	For details, *vide* Statement.	Accounts, 1915–1916.	Budget Estimate, 1916–1917.	Revised Estimate, 1916–1917.	Budget Estimate, 1917–1918.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	22,031,161	21,932,100	22,063,500	22,261,500
Opium	„	1,913,514	2,286,900	3,153,100	3,389,300
Salt	„	3,647,587	3,987,600	4,785,900	3,972,900
Stamps	„	5,433,632	5,483,800	5,820,900	5,965,400
Excise	„	8,632,209	8,551,300	9,152,500	9,291,700
Customs	„	5,873,886	7,698,000	8,669,100	9,394,800
Other Heads	„	5,334,386	6,120,800	7,039,500	8,554,900
TOTAL PRINCIPAL HEADS ...	—	52,866,375	56,060,500	60,684,500	62,830,500
Interest	A	1,096,417	1,175,300	1,110,100	2,095,700
Posts and Telegraphs	„	3,787,478	3,876,900	4,176,700	4,345,700
Mint	„	101,918	72,900	624,600	139,100
Receipts by Civil Departments	„	1,579,904	1,549,900	1,694,400	1,706,300
Miscellaneous	„	679,488	565,100	806,500	743,000
Railways : Net Receipts	„	17,977,103	16,955,000	20,981,600	20,253,000
Irrigation	„	4,779,079	4,837,400	4,979,500	5,125,300
Other Public Works	„	304,035	269,700	306,800	285,200
Military Receipts	„	1,241,740	1,165,900	1,469,800	1,327,100
TOTAL REVENUE ...	—	84,413,537	86,528,600	96,834,500	98,850,900
DEFICIT	—	1,188,661	—	—	—
TOTAL ...	—	85,602,198	86,528,600	96,834,500	98,850,900

DELHI,
FINANCE DEPARTMENT,
March 1, 1917.

R. A. GAMBLE,
Comptroller General.

Revenue, of the Government of India, in India and in England.

	For details, *vide* Statement.	Accounts, 1915–1916.	Budget Estimate. 1916–1917.	Revised Estimate, 1916–1917.	Budget Estimate, 1917–1918.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	9,467,370	9,450,600	9,483,700	10,026,100
Interest	„	1,190,364	989,700	791,800	6,832,800
Posts and Telegraphs	„	3,149,680	3,503,500	3,555,600	3,601,900
Mint	„	89,373	90,300	172,500	115,800
Salaries and Expenses of Civil Departments	„	18,868,215	19,340,000	19,640,100	20,920,400
Miscellaneous Civil Charges	„	5,128,675	5,283,300	5,393,300	5,577,200
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges.	„	13,901,665	14,217,100	14,185,300	14,147,400
Irrigation	„	3,721,096	3,770,900	3,687,000	3,834,100
Other Public Works	„	5,451,727	4,744,200	4,726,400	5,536,500
Military Services	„	23,503,093	23,665,900	26,819,800	27,227,100
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL.	—	85,471,258	86,055,500	89,455,500	98,819,300
Add—Provincial Surpluses: that is, portion of allotments to Provincial Govenments not spent by them in the year.	End of B	335,711	13,800	1,590,200	230,400
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	*204,771*	*366,400*	*28,700*	*328,600*
TOTAL EXPENDITURE CHARGED TO REVENUE.	—	85,602,198	85,702,900	91,017,000	98,721,100
SURPLUS...	—	—	825,700	5,817,500	129,800
TOTAL	—	85,602,198	86,528,600	96,834,500	98,850,900

M. M. S. GUBBAY,
Offg. Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts.			
		Accounts, 1915–1916.	Budget Estimate, 1916–1917.	Revised Estimate, 1916–1917.	Budget Estimate, 1917–1918.
		£	£	£	£
Surplus	C	—	825,700	5,817,500	129,800
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways.	„	3,472,246	3,000	—	—
Capital contributed by Native States towards construction of State Railways.	„	66,667	66,700	66,700	66,700
Capital raised and deposited by Railway Companies (net).	„	393,201	671,900	733,000	318,600
TOTAL CAPITAL ACCOUNT RECEIPTS ...		3,932,114	741,600	799,700	385,300
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	2,379,834	3,822,100	3,692,400	9,416,700
Unfunded Debt (net incurred)	„	899,842	254,700	1,735,000	1,926,700
Deposits and Advances (net)	„	5,829,927	1,037,700	1,511,100	814,200
Loans and Advances by Imperial Government (net Repayments).	„	15,103	—	—	—
Loans and Advances by Provincial Government (net Repayments).	„	308,232	431,300	547,500	262,500
Loans to Local Boards for Railway Construction.	„	7,709	8,000	8,000	8,300
Remittances (net)	„	—	59,100	—	—
Secretary of State's Bills drawn	„	4,590,034	3,885,000	9,669,000	—
Sterling Bills on London	„	4,668,000	—	—	—
TOTAL DEBT, DEPOSITS AND ADVANCES	—	18,698,681	9,497,900	17,163,000	12,428,400
TOTAL RECEIPTS		22,630,795	11,065,200	23,780,200	12,943,500
Opening Balance—India	—	14,779,334	11,451,934	12,016,056	12,417,656
England	—	(a) 7,913,236	(a) 14,475,536	(a) 12,803,348	(a) 11,729,748
TOTAL		45,323,365	36,992,670	48,559,604	37,090,904

(a) Include balances of the Gold Standard Reserve as shown

R. A. GAMBLE,
Comptroller General.

DELHI,
FINANCE DEPARTMENT,
March 1, 1917.

Government of India, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1915–1916.	Budget Estimate, 1916–1917.	Revised Estimate, 1916–1917.	Budget Estimate, 1917–1918.
		£	£	£	£
Deficit	C	1,188,661	—	—	—
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	„	812,953	900,000	628,300	600,000
Outlay on State Railways	„	4,776,112	2,801,900	1,301,100	3,224,200
Initial outlay on new Capital at Delhi ...	„	331,274	266,700	266,700	266,700
Outlay of Railway Companies (net)	„	439,753	951,100	1,056,800	648,400
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	—	6,360,092	4,919,700	3,252,900	4,739,300
Debt, Deposits and Advances—					
Temporary Debt (net discharged)	C	3,000,000	1,500,000	11,000,000	333,300
Loans and Advances by Imperial Government (net Advances).	„	—	44,700	37,700	120,700
Remittances (net)	„	241,434	—	1,370,200	8,409,700
Secretary of State's Bills paid	„	5,045,774	3,885,000	8,791,400	466,700
Sterling Bills on London	„	4,668,000	—	—	—
TOTAL DEBT, DEPOSITS AND ADVANCES	—	12,955,208	5,429,700	21,199,300	9,330,400
TOTAL DISBURSEMENTS ...	—	20,503,961	10,349,400	24,452,200	14,069,700
Closing Balance—India	—	12,016,056	12,260,234	12,417,656	11,776,756
England	—	(a) 12,803,348	(a) 14,383,036	(a) 11,729,748	(a) 11,244,448
TOTAL	—	45,323,365	36,992,670	48,599,604	37,090,904

in the notes on pages 52 and 53.

M. M. S. GUBBAY,
Offg. Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

A—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1915-1916.					REVISED	
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Principal Heads of Revenue—							
I.—Land Revenue	22,031,161	—	**22,031,161**	10,763,350	11,267,811	22,063,500	—
II.—Opium	1,913,514	—	**1,913,514**	1,913,514	—	3,153,100	—
III.—Salt	3,647,587	—	**3,647,587**	3,647,587	—	4,785,900	—
IV.—Stamps	5,433,632	—	**5,433,632**	2,767,911	2,665,721	5,820,900	—
V.—Excise	8,632,209	—	**8,632,209**	2,400,483	6,231 726	9,152,500	—
VI.—Provincial Rates	41,845	—	**41,845**	255	41,590	30,500	—
VII.—Customs	5,873,886	—	**5,873,886**	5,873,886	—	8,669,100	—
VIII.—Income Tax	2,090,109	—	**2,090,109**	1,136,689	953,420	3,568,100	—
IX.—Forest	2,074,425	—	**2,074,425**	76,419	1,998,006	2,294,900	—
X.—Registration	518,879	—	**518,879**	6,099	512,780	541,900	—
XI.—Tributes from Native States ...	609,128	—	**609,128**	609,128	—	604,100	—
Total ...	52,866,375	—	**52,866,375**	29,195,321	23,671,054	60,684,500	—
XII.—Interest	892,333	204,084	**1,096,417**	731,569	364,848	848,700	261,400
XIII.—Posts and Telegraphs	3,768,352	19,126	**3,787,478**	3,787,478	—	4,132,300	44,400
XV.—Mint	101,887	31	**101,918**	101,918	—	624,600	—
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	413,545	—	**413,545**	34,454	379,091	415,600	—
{ Jails	299,225	—	**299,225**	36,158	263,067	332,800	—
XVII.—Police	143,199	—	**143,199**	5,505	137,694	153,800	—
XVIII.—Ports and Pilotage	125,394	—	**125,394**	—	125,394	119,700	—
XIX.—Education	295,036	—	**295,036**	7,452	287,584	299,300	—
XXA.—Medical...	76,686	562	**77,248**	1,252	75,996	81,800	400
XXB.—Sanitation	16,057	—	**16,057**	2,332	13,725	27,900	—
XXIA.—Agriculture	78,465	—	**78,465**	10,670	67,795	87,600	—
XXIB—Scientific and Miscellaneous Depts.	131,178	557	**131,735**	8,467	123,268	174,600	900
Total ...	1,578,785	1,119	**1,579,904**	106,290	1,473,614	1,693,100	1,300
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	170,357	43,570	**213,927**	139,376	74,551	170,500	48,100
XXIII.—Stationery and Printing	89,134	—	**89,134**	37,674	51,460	92,100	—
XXIV.—Exchange	74,254	—	**74,254**	74,254	—	146,700	—
XXV.—Miscellaneous	279,304	22,869	**302,173**	116,647	185,526	330,900	18,200
Total ...	613,049	66,439	**679,488**	367,951	311,537	740,200	66,300
Railways—							
XXVI.—State Railways (Gross Receipts) ...	38,173,243	2,950	**38,176,193**	38,165,941	10,252	41,566,700	114,800
Deduct—Working Expenses	*19,686,677*	—	***19,686,677***	*19,679,888*	*6,789*	*20,040,000*	—
Surplus profits paid to Companies, etc.	*603,827*	—	***603,827***	*603,827*	—	*758,800*	—
Net Receipts ...	17,882,739	2,950	**17,885,689**	17,882,226	3,463	20,767,900	114,800
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest) ...	19,892	71,522	**91,414**	91,414	—	29,400	69,500
Total ...	17,902,631	74,472	**17,977,103**	17,973,640	3,463	20,797,300	184,300
Irrigation—							
XXIX.—Major Works : Direct Receipts ...	2,737,991	—	**2,737,991**	1,146,702	1,591,289	2,920,500	—
Portion of Land Revenue due to Irrigation ...	1,773,720	—	**1,773,720**	962,760	810,960	1,755,600	—
XXX.—Minor Works and Navigation ...	267,368	—	**267,368**	98,122	169,246	303,400	—
Total ...	4,779,079	—	**4,779,079**	2,207,584	2,571,495	4,979,500	—
Other Public Works—							
XXXI.—Civil Works	304,035	—	**304,035**	57,160	246,875	306,800	—
Military Receipts—							
XXXII.—Army : Effective	514,729	301.705	**816,434**	816,434	—	603,600	293,900
Non-Effective	85,330	38,179	**123,509**	123,509	—	84,400	38,000
	600,059	339,884	**939,943**	939,943	—	688,000	331,900
XXXIII.—Marine...	223,263	—	**223,263**	223,263	—	373,200	—
XXXIV.—Military Works	78,534	—	**78,534**	78,534	—	76,700	—
Total ...	901,856	339,884	**1,241,740**	1,241,740	—	1,137,900	331,900
Transfers between Imperial and Provincial Revenues	—	—	—	−2,430,938	+2,430,938	—	—
TOTAL REVENUE ...	83,708,382	705,155	**84,413,537**	53,339,713	31,073,824	95,944,900	889,600

India, in India and in England.

ESTIMATE, 1916–1917.			Increase + Decrease — as compared with Budget Estimate, 1916–1917.	BUDGET ESTIMATE, 1917–1918.					Increase + Decrease — of Budget, 1917–1918, as compared with Budget Estimate, 1916–1917.	Increase + Decrease — of Budget, 1917–1918, as compared with Revised Estimate, 1916–1917.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
22,063,500	10,795,200	11,268,300	+131,400	22,261,500	—	**22,261,500**	10,899,800	11,361,700	+329,400	+198,000
3,153,100	3,153,100	—	+866,200	3,389,300	—	**3,389,300**	3,389,300	—	+1,102,400	+236,200
4,785,900	4,785,900	—	+798,300	3,972,900	—	**3,972,900**	3,972,900	—	−14,700	−813,000
5,820,900	2,962,600	2,858,300	+337,100	5,965,400	—	**5,965,400**	3,035,400	2,930,000	+481,600	+144,500
9,152,500	2,556,100	6,596,400	+601,200	9,291,700	—	**9,291,700**	2,599,200	6,692,500	+740,400	+139,200
30,500	200	30,300	+2,100	27,600	—	**27,600**	100	27,500	−800	−2,900
8,669,100	8,669,100	—	+971,100	9,394,800	—	**9,394,800**	9,394,800	—	+1,696,800	+725,700
3,568,100	1,941,300	1,626,800	+655,300	5,109,300	—	**5,109,300**	3,385,600	1,723,700	+2,196,500	+1,541,200
2,294,900	91,000	2,203,900	+246,400	2,246,700	—	**2,246,700**	86,400	2,160,300	+198,200	−48,200
541,900	6,200	535,700	+24,500	554,300	—	**554,300**	6,100	548,200	+36,900	+12,400
604,100	604,100	—	−9,600	617,000	—	**617,000**	617,000	—	+3,300	+12,900
60,684,500	35,564,800	25,119,700	+4,624,000	62,830,500	—	**62,830,500**	37,386,600	25,443,900	+6,770,000	+2,146,000
1,110,100	779,200	330,900	−65,200	964,500	1,131,200	**2,095,700**	1,788,000	307,700	+920,400	+985,600
4,176,700	4,176,700	—	+299,800	4,329,000	16,700	**4,345,700**	4,345,700	—	+468,800	+169,000
624,600	624,600	—	+551,700	139,100	—	**139,100**	139,100	—	+66,200	−485,500
415,600	30,700	384,900	+17,600	419,500	—	**419,500**	29,300	390,200	+21,500	+3,900
332,800	47,400	285,400	+41,000	331,600	—	**331,600**	47,400	284,200	+39,800	−1,200
153,800	5,600	148,200	+6,500	136,300	—	**136,300**	4,900	131,400	−11,000	−17,500
119,700	—	119,700	−13,300	117,500	—	**117,500**	—	117,500	−15,500	−2,200
299,300	15,300	284,000	+17,000	305,300	—	**305,300**	6,800	298,500	+23,000	+6,000
82,200	1,000	81,200	+5,100	80,500	400	**80,900**	900	80,000	+3,800	−1,300
27,900	3,400	24,500	+14,900	20,100	—	**20,100**	4,000	16,100	+7,100	−7,800
87,600	11,800	75,800	+5,400	102,700	—	**102,700**	15,200	87,500	+20,500	+15,100
175,500	9,300	166,200	+50,300	191,700	700	**192,400**	8,500	183,900	+67,200	+16,900
1,694,400	124,500	1,569,900	+144,500	1,705,200	1,100	**1,706,300**	117,000	1,589,300	+156,400	+11,900
218,600	144,200	74,400	+5,300	169,900	46,200	**216,100**	142,400	73,700	+2,800	−2,500
92,100	39,100	53,000	−100	86,900	—	**86,900**	34,100	52,800	−5,300	−5,200
146,700	146,700	—	+146,700	—	—	—	—	—	—	−146,700
349,100	155,300	193,800	+89,500	265,500	174,500	**440,000**	264,000	176,000	+180,400	+90,900
806,500	485,300	321,200	+241,400	522,300	220,700	**743,000**	440,500	302,500	+177,900	−63,500
41,681,500	41,671,900	9,600	+4,163,600	41,833,300	5,900	**41,839,200**	41,829,100	10,100	+4,261,300	+157,700
20,040,000	*20,033,300*	*6,700*	+48,000	*20,900,000*	—	***20,900,000***	*20,891,900*	*8,100*	−812,000	−860,000
758,800	*758,800*	—	−138,800	*780,000*	—	***780,000***	*780,000*	—	−160,000	−21,200
20,882,700	20,879,800	2,900	+4,012,800	20,153,300	5,900	**20,159,200**	20,157,200	2,000	+3,289,300	−723,500
98,900	98,900	—	+13,800	30,800	63,000	**93,800**	93,800	—	+8,700	−5,100
20,981,600	20,978,700	2,900	+4,026,600	20,184,100	68,900	**20,253,000**	20,251,000	2,000	+3,298,000	−728,600
2,920,500	1,232,500	1,688,000	+56,500	2,972,200	—	**2,972,200**	1,305,600	1,666,600	+108,200	+51,700
1,755,600	953,300	802,300	+62,000	1,858,200	—	**1,858,200**	1,004,800	853,400	+164,600	+102,600
303,400	110,200	193,200	+23,600	294,900	—	**294,900**	109,400	185,500	+15,100	−8,500
4,979,500	2,296,000	2,683,500	+142,100	5,125,300	—	**5,125,300**	2,419,800	2,705,500	+287,900	+145,800
306,800	57,400	249,400	+37,100	285,200	—	**285,200**	56,900	228,300	+15,500	−21,600
897,500	897,500	—	+114,200	597,900	266,000	**863,900**	863,900	—	+80,600	−33,600
122,400	122,400	—	+2,300	84,400	38,000	**122,400**	122,400	—	+2,300	—
1,019,900	1,019,900	—	+116,500	682,300	304,000	**986,300**	986,300	—	+82,900	−33,600
373,200	373,200	—	+190,700	260,800	—	**260,800**	260,800	—	+78,300	−112,400
76,700	76,700	—	−3,300	80,000	—	**80,000**	80,000	—	—	+3,300
1,469,800	1,469,800	—	+303,900	1,023,100	304,000	**1,327,100**	1,327,100	—	+161,200	−142,700
—	−1,673,900	+1,673,900	—	—	—	—	−1,708,700	+1,708,700	—	—
96,834,500	64,883,100	31,951,400	+10,305,900	97,108,300	1,742,600	**98,850,900**	66,563,000	32,287,900	+12,322,300	+2,016,400

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1915–1916. India.	England.	Total.	Distribution of Total between Imperial.	Provincial.	REVISED India.	England.
	£	£	£	£	£	£	£
Direct Demands on the Revenues—							
1.—Refunds and Drawbacks	344,446	—	**344,446**	235,885	108,561	465,000	—
2.—Assignments and Compensaticns	1,280,870	—	**1,280,870**	563.736	717,134	1,275,100	—
Charges in respect of Collections, *viz.* :—							
3.—Land Revenue...	3,902,729	985	**3,903,714**	296,008	3,607,706	3,849,200	2,100
4.—Opium (including cost of Production) ...	1,143,557	774	**1,144,331**	1,141,331	—	1,010,500	800
5.—Salt (including cost of Production) ...	374,226	2,496	**376,722**	376,722	—	397,200	2,500
6.—Stamps...	57,447	89,703	**147,150**	76,880	70,270	64,400	105,000
7.—Excise	470,321	419	**470,740**	146,044	324,696	477,700	400
9.—Customs	262,052	212	**262,264**	262,264	—	271,000	400
10.—Income Tax	34,426	—	**34,426**	17,335	17,091	37,500	—
11.—Forest	1,239,507	3,360	**1,242,867**	83,499	1,159,368	1,257,800	2,500
12.—Registration	259,840	—	**259,840**	1,887	257,953	264,600	—
Total	9,369,421	97,949	**9,467,370**	3,204,591	6,262,779	9,370,000	113,700
Interest—							
13.—Interest on Debt	3,803,130	6,182,399	**9,985,529**	9,030,491	955,038	3,773,300	5,846,800
Deduct—Amounts chargeable to Railways†	*4,284,143*	*3,738,480*	***8,022,623***	*8,022,623*	—	*4,333,800*	*3,730,900*
„ Amounts chargeable to Irrigation	*1,324,051*	*127,299*	***1,451,350***	*736,654*	*714,696*	*1,363,900*	*128,100*
Remainder chargeable on Ordinary Debt	−1,805,064	2,316,620	**511,556**	271,214	240,342	−1,924,400	1,987,800
14.—Interest on other obligations	678,808	—	**678,808**	678,808	—	728,400	—
Total	−1,126,256	2,316,620	**1,190,364**	950,022	240,342	−1,196,000	1,987,800
15.—Posts and Telegraphs	3,007,141	142,539	**3,149,680**	3,149,680	—	3,173,700	381,900
17.—Mint	81,803	7,570	**89,373**	89,373	—	160,400	12,100
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,637,632	331,106	**1,968,738**	1,071,298	897,440	1,678,400	403,000
19.—Law and Justice { Courts	3,352,896	1,042	**3,353,938**	81,018	3,272,920	3,323,500	900
19.—Law and Justice { Jails	1,042,343	177	**1,042,520**	146,749	895,771	1,099,900	—
20.—Police	5,353,259	356	**5,353,615**	277,820	5,075,795	5,436,200	100
21.—Ports and Pilotage	210,609	—	**210,609**	—	210,609	195,600	—
22.—Education	3,102,025	9.102	**3,111,127**	110,027	3,001,100	3,179,000	10,000
23.—Ecclesiastical	130,924	122	**131,046**	131,046	—	130,800	300
24A.—Medical	872,422	1,328	**873,750**	72,692	801,058	862,100	900
24B.—Sanitation	623,542	1,744	**625,286**	64,977	560,309	553,500	2,000
25.—Political	1,161,070	6,957	**1,168,027**	1,005,104	162,923	1,622,100	30,900
26A.—Agriculture	596,173	1,328	**597,501**	63,084	534,417	616,800	3,500
26B.—Scientific and Miscellaneous Departments	405,568	26,490	**432,058**	289,388	142,670	447,300	43,800
Total	18,488,463	379,752	**18,868,215**	3,313,203	15,555,012	19,144,700	495,400
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions ...	208,525	10,550	**219,075**	219,075	—	199,200	10,600
28.—Civil Furlough and Absentee Allowances	780	235,054	**235,834**	235,834	—	1,900	260,000
29.—Superannuation Allowances and Pensions	1,423,291	2,046,992	**3,470,283**	2,162,284	1,307,909	1,473,700	2,019,000
30.—Stationery and Printing	620,311	110,733	**731,044**	218 942	512,102	674,400	124,500
32.—Miscellaneous...	406,100	66,339	**472,439**	212,068	260,371	454,200	175,800
Total	2,659,007	2,469,668	**5,128,675**	3,048,203	2,080,472	2,803,400	2,589,900
Famine Relief and Insurance—							
33.—Famine Relief	74,695	—	**74,695**	64,126	10,569	199,300	—
34.—Construction of Protective Railways ...	−193	—	**−193**	−193	—	−600	—
35.—Construction of Protective Irrigation Works	494,629	5,564	**500,193**	500,193	—	352,600	2,200
36.—Reduction or Avoidance of Debt	425,305	—	**425,305**	260,638	164,667	446,500	—
Total	994,436	5,564	**1,000,000**	824,764	175,236	997,800	2,200
Carried over	33,474,015	5,419,662	**38,893,677**	14,579,836	24,313,841	34,454,000	5,583,000

	ACCOUNTS, 1915–1916. India.	England.	Total.	REVISED ESTIMATE, 1916–1917. India.	England.	Total.
†Included under the following heads :—	£	£	£	£	£	£
State Railways—Interest on Debt	4,266,440	3,657,230	**7,923,670**	4,316,500	3,649,700	**7,966,200**
Ditto —Interest chargeable against Companies on Advances	17,703	81,250	**98,953**	17,300	81,200	**98,500**
Total	4,284,143	3,738,480	**8,022,623**	4,333,800	3,730,900	**8,064,700**

Revenues of India, in India and in England.

ESTIMATE, 1916–1917.			Increase+ Decrease— as compared with Budget Estimate, 1916–1917.	BUDGET ESTIMATE, 1917–1918.					Increase+ Decrease— of Budget, 1917–1918, as compared with Budget Estimate, 1916–1917.	Increase+ Decrease— of Budget, 1917–1918, as compared with Revised Estimate, 1916–1917.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
465,000	351,400	113,600	+129,900	430,300	—	**430,300**	316,600	113,700	+95,200	−34,700
1,275,100	563,800	711,300	−5,500	1,272,800	—	**1,272,800**	564,800	708,000	−7,800	−2,300
3,851,300	274,600	3,576,700	−141,200	3,976,200	2,000	**3,978,200**	305,800	3,672,400	−14,300	+126,900
1,011,300	1,011,300	—	+57,400	1,320,100	900	**1,321,000**	1,321,000	—	+367,100	+309,700
399,700	399,700	—	+200	406,300	2,300	**408,600**	408,600	—	+9,100	+8,900
169,400	94,400	75,000	+17,200	62,100	98,600	**160,700**	85,500	75,200	+8,500	−8,700
478,100	146,800	331,300	−10,800	488,300	200	**488,500**	149,200	339,300	−400	+10,400
271,400	271,400	—	+700	285,800	100	**285,900**	285,900	—	+15,200	+14,500
37,500	18,800	18,700	+1,000	41,100	—	**41,100**	20,700	20,400	+4,600	+3,600
1,260,300	83,100	1,177,200	−20,500	1,367,500	1,600	**1,369,100**	97,400	1,271,700	+88,300	+108,800
264,600	1,900	262,700	+4,700	269,900	—	**269,900**	1,900	268,000	+10,000	+5,300
9,483,700	3,217,200	6,266,500	+33,100	9,920,400	105,700	**10,026,100**	3,557,400	6,468,700	+575,500	+542,400
9,620,100	8,669,800	950,300	−336,900	4,422,700	11,155,800	**15,578,500**	14,623,300	955,200	+5,621,500	+5,958,400
8,064,700	*8,064,700*	—	+84,000	*4,413,300*	*3,719,400*	***8,132,700***	*8,132,700*	—	+16,000	−68,000
1,492,000	*764,700*	*727,300*	+17,400	*1,397,600*	*128,600*	***1,526,200***	*788,500*	*737,700*	−16,800	−34,200
63,400	−159,600	223,000	−235,500	−1,388,200	7,307,800	**5,919,600**	5,702,100	217,500	+5,620,700	+5,856,200
728,400	728,400	—	+37,600	913,200	—	**913,000**	913,200	—	+222,400	+184,800
791,800	568,800	223,000	−197,900	−475,000	7,307,800	**6,832,800**	6,615,300	217,500	+5,843,100	+6,041,000
3,555,600	3,555,600	—	+52,100	3,240,700	361,200	**3,601,900**	3,601,900	—	+98,400	+46,300
172,500	172,500	—	+82,200	94,700	21,100	**115,800**	115,800	—	+25,500	−56,700
2,081,400	1,162,500	918,900	+70,500	1,676,800	380,100	**2,056,900**	1,132,000	924,900	+46,000	−24,500
3,324,400	81,100	3,243,300	−31,700	3,378,200	1,000	**3,379,200**	82,600	3,296,600	+23,100	+54,800
1,099,900	166,200	933,700	+34,200	1,125,400	—	**1,125,400**	172,500	952,900	+59,700	+25,500
5,436,300	296,600	5,139,700	−90,000	5,726,500	100	**5,726,600**	324,400	5,402,200	+200,300	+290,300
195,600	—	195,600	−5,200	195,300	—	**195,300**	—	195,300	−5,500	−300
3,189,000	115,600	3,073,400	−77,600	3,613,400	10,000	**3,623,400**	146,200	3,477,200	+356,800	+434,400
130,600	130,600	—	−5,800	142,200	300	**142,500**	142,500	—	+6,100	+11,900
868,000	78,600	784,400	−21,000	967,500	1,000	**968,500**	83,200	885,300	+84,500	+105,500
555,500	70,800	484,700	−50,000	608,600	2,000	**610,600**	97,000	513,600	+5,100	+55,100
1,653,000	1,483,100	169,900	+474,500	1,829,000	24,200	**1,853,200**	1,633,600	219,600	+674,700	+200,200
620,300	66,000	554,300	−2,000	699,600	2,000	**701,600**	73,600	628,000	+79,300	+81,300
491,100	322,900	168,200	+4,200	484,700	52,500	**537,200**	334,500	202,700	+50,300	+46,100
19,640,100	3,974,000	15,666,100	+300,100	20,447,200	473,200	**20,920,400**	4,222,100	16,698,300	+1,580,400	+1,280,300
209,800	209,800	—	−4,500	199,800	10,600	**210,400**	210,400	—	−3,900	+600
261,900	261,900	—	+32,600	1,500	260,000	**261,500**	261,500	—	+32,200	−400
3,492,700	2,136,300	1,356,400	−36,300	1,517,500	2,018,000	**3,535,500**	2,134,800	1,400,700	+6,500	+42,800
798,900	286,600	512,300	+58,300	762,700	98,600	**861,300**	327,000	534,300	+120,700	+62,400
630,000	405,200	224,800	+59,900	670,200	38,300	**708,500**	343,000	365,500	+138,400	+78,500
5,393,300	3,299,800	2,093,500	+110,000	3,151,700	2,425,500	**5,577,200**	3,276,700	2,300,500	+293,900	+183,900
199,300	147,400	51,900	+153,000	29,600	—	**29,600**	22,200	7,400	−16,700	−169,700
−600	−600	—	+100	−500	—	**−500**	−500	—	+200	+100
354,800	354,800	—	−78,500	401,600	18,400	**420,000**	420,000	—	−13,300	+65,200
446,500	348,500	98,000	−74,600	550,900	—	**550,900**	550,900	—	+29,800	+104,400
1,000,000	850,100	149,900	—	981,600	18,400	**1,000,000**	992,600	7,400	—	—
40,037,000	15,638,000	24,399,000	+379,600	37,361,300	10,712,900	**48,074,200**	22,381,800	25,692,400	+8,416,800	+8,037,200

BUDGET ESTIMATE, 1917–1918.		
India.	England.	Total.
£	£	£
4,396,200	3,638,200	**8,034,400**
17,100	81,200	**98,300**
4,413,300	3,719,400	**8,132,700**

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1915-1916.					REVISED	
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		England.	India.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Brought forward ...	33,474,015	5,419,662	**38,893,677**	14,579,836	24,313,841	34,454,000	5,583,000
Railways—							
38.—State Railways: Interest on Debt ...	4,266,440	3,657,230	**7,923,670**	7,923,670	—	4,316,500	3,649,700
Annuities in purchase of Railways	—	3,357,691	**3,357,691**	3,357,691	—	—	3,357,700
Sinking Funds... ...	—	208,893	**208,893**	208,893	—	—	323,600
Interest chargeable against Companies on Advances	17,703	81,250	**98,953**	98,953	—	17,300	81,200
Interest on Capital deposited by Companies	58,736	2,073,126	**2,131,862**	2,131,862	—	56,400	2,170,200
40.—Subsidised Companies: Land, etc. ...	162,709	—	**162,709**	162,044	665	198,300	—
41.—Miscellaneous Railway Expenditure ...	17,887	—	**17,887**	17,059	828	14,400	—
TOTAL ...	4,523,475	9,378,190	**13,901,665**	13,900,172	1,493	4,602,900	9,582,400
Irrigation—							
42.—Major Works: Working Expenses ...	1,374,920	—	**1,374,920**	647,580	727,340	1,367,000	—
Interest on Debt ...	1,324,051	127,299	**1,451,350**	736,654	714,696	1,363,900	128,100
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance...	12,632	—	**12,632**	12,632	—	—	—
43.—Minor Works and Navigation	881,904	290	**882,194**	276,081	606,113	827,500	500
TOTAL ...	3,593,507	127,589	**3,721,096**	1,672,947	2,048,149	3,558,400	128,600
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	1,263	—	**1,263**	—	1,263	2,300	—
45.—Civil Works...	5,400,320	50,144	**5,450,464**	872,326	4,578,138	4,672,100	52,000
TOTAL ...	5,401,583	50,144	**5,451,727**	872,326	4,579,401	4,674,400	52,000
Military Services—							
46.—Army: Effective	16,285,433	2,407,837	**18,693,270**	18,693,270	—	18,047,500	3,289,100
Non-effective	781,936	2,417,994	**3,199,930**	3,199,930	—	856,400	2,319,000
	17,067,369	4,825,831	**21,893,200**	21,893,200	—	18,903,900	5,608,100
46A.—Marine	480,513	265,000	**745,513**	745,513	—	324,400	420,200
47.—Military Works	816,106	34,760	**850,866**	850,866	—	1,505,800	27,900
47A.—Special Defences (1902)...	5,596	7,918	**13,514**	13,514	—	23,300	6.200
TOTAL ...	18,369,584	5,133,509	**23,503.093**	23,503,093	—	20,757,400	6,062,400
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	65,362,164	20,109,094	**85,471,258**	54,528,374	30,942,884	68,047,100	21,408,400
Add—Portions of Allotments to Provincial Governments not spent by them in the year ...	335,711	—	**335,711**	—	335,711	1,590,200	—
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances ...	*204 771*	—	***204,771***	—	*204,771*	*28,700*	+
Total Expenditure charged to Revenue ...	65,493,104	20,109,094	**85,602,198**	54,528,374	31,073,824	69,608,600	21,408,400

	ACCOUNTS, 1915-1916.		
	India.	England.	TOTAL.
Capital Expenditure not charged to Revenue—	£	£	£
48.—State Railways	3,923,370	852,742	**4,776,112**
49.—Irrigation Works	776,544	36,409	**812,953**
TOTAL ...	4,699,914	889 151	**5,589,065**
51.—Initial Expenditure on new Capital at Delhi	321,383	9,891	**331,274**

Revenues of India, in India and in England—*continued.*

ESTIMATE, 1916–1917.			Increase+ Decrease— as compared with Budget Estimate, 1916–1917.	BUDGET ESTIMATE, 1917–1918.					Increase+ Decrease— of Budget, 1917–1918. as compared with Budget Estimate. 1916–1917.	Increase+ Decrease— of Budget, 1917–1918, as compared with Revised Estimate, 1916–1917.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
40,037,000	15,638,000	24,399,000	+379,600	37,361,300	10,712,900	**48,074,200**	22,381,800	25,692,400	+8,416,800	+8,037,200
7,966,200	7,966,200	—	−83,800	4,396,200	3,638,200	**8,034,400**	8,034,400	—	−15,600	+68,200
3,357,700	3,357,700	—	—	—	3,357,700	**3,357,700**	3,357,700	—	—	—
323,600	323,600	—	+105,900	—	230,000	**230,000**	230,000	—	+12,300	−93,600
98,500	98,500	—	−200	17,100	81,200	**98,300**	98,300	—	−400	−200
2,226,600	2,226,600	—	−5,100	61,700	2,213,900	**2,275,600**	2,275,600	—	+43,900	+49,000
198,300	197,400	900	−36,000	127,400	—	**127,400**	126,700	700	−106,900	−70,900
14,400	14,000	400	−12,600	24,000	—	**24,000**	23,700	300	−3,000	+9,600
14,185,300	14,184,000	1,300	−31,800	4,626,400	9,521,000	**14,147,400**	14,146,400	1,000	−69,700	−37,900
1,367,000	647,000	720,000	−500	1,391,300	—	**1,391,300**	666,200	725,100	+23,800	+24,300
1,492,000	764,700	727,300	−17,400	1,397,600	128,600	**1,526,200**	788,500	737,700	+16,800	+34,200
—	—	—	—	—	—	—	—	—	—	—
828,000	266,500	561,500	−66,000	916,600	—	**916,600**	289,200	627,400	+22,600	+88,600
3,687,000	1,678,200	2,008,800	−83,900	3,705,500	128,600	**3,834,100**	1,743,900	2,090,200	+63,200	+147,100
2,300	—	2,300	+600	1,500	—	**1,500**	—	1,500	−200	−800
4,724,100	745,600	3,978,500	−18,400	5,478,100	56,900	**5,535,000**	934,000	4,601,000	+792,500	+810,900
4,726,400	745,600	3,980,800	−17,800	5,479,600	56,900	**5,536,500**	934,000	4,602,500	+792,300	+810,100
21,336,600	21,336,600	—	+2,501,100	18,999,800	3,000,400	**22,000,200**	22,000,200	—	+3,164,700	+663,600
3,175,400	3,175,400	—	−68,200	1,098,700	2,117,000	**3,215,700**	3,215,700	—	−27,900	+40,300
24,512,000	24,512,000	—	+2,432,900	20,098,500	5,117,400	**25,215,900**	25,215,900	—	+3,136,800	+703,900
744,600	744,600	—	+37,000	313,000	525,500	**838,500**	838,500	—	+130,900	+93,900
1,533,700	1,533,700	—	+675,400	1,138,700	20,000	**1,158,700**	1,158,700	—	+300,400	−375,000
29,500	29,500	—	+8,600	10,300	3,700	**14,000**	14,000	—	−6,900	−15,500
26,819,800	26,819,800	—	+3,153,900	21,560,500	5,666,000	**27,227,100**	27,227,100	—	+3,561,200	+407,300
89,455,500	59,065,600	30,389,900	+3,400,600	72,733,300	26,086,000	**98,819,300**	66,433,200	32,386,100	+12,763,800	+9,363,800
1,590,200	—	1,590,200	+1,576,400	230,400	—	**230,400**	—	230,400	+216,600	−1,359,800
28,700	—	*28,700*	+337,700	*328,600*	—	***328,600***	—	*328,600*	+37,800	−299,900
91,017,000	59,065,600	31,951,400	+5,314,100	72,635,100	26,086,000	**98,721,100**	66,433,200	32,287,900	+13,018,200	+7,704,100

REVISED ESTIMATE, 1916–1917.			BUDGET ESTIMATE, 1917–1918.		
India.	England.	Total.	India.	England.	Total.
£	£	£	£	£	£
984,400	316,700	**1,301,100**	2,297,100	927,100	**3,224,200**
615,100	13,200	**628,300**	589,000	11,000	**600,000**
1,599,500	329,900	**1,929,400**	2,886,100	938,100	**3,824,200**
244,400	22,300	**266,700**	251,700	15,000	**266,700**

C.—Statement of Receipts and Disbursements of the

	Accounts, 1915–1916.			Revised Estimate, 1916–1917.			Budget Estimate, 1917–1918.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	83,708,382	705,155	84,413,537	95,944,900	889,600	96,834,500	97,108,300	1,742,600	98,850,900
Excess of Revenue over Expenditure charged to Revenue			**– 1,188,661**			**5,817,500**			**129,800**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways	3,472,246	—	3,472,246	—	—	—	—	—	—
Capital contributed by Native States towards construction of State Railways	66,667	—	66,667	66,700	—	66,700	66,700	—	66,700
Outlay of Railway Companies—									
Repayments	—	9,431	9,431	—	12,500	12,500	—	2,000	2,000
Net ...			**0**			**0**			**0**
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital ...	768,401	—	768,401	808,000	755,000	1,563,000	318,600	3,186,400	3,505,000
Net ...			**393,201**			**733,000**			**318,600**
Permanent Debt Incurred—									
Rupee Debt—									
Rupee Loan	3,332,400	—		4,486,700	—		10,000,000	—	
Total ...	3,332,400		3,332,400	4,486,700	—	4,486,700	10,000,000	—	10,000,000
Net ...			**2,379,834**			**3,692,400**			**9,416,700**
Temporary Debt Incurred—									
Temporary Loans ...	—	7,000,000	7,000,000	—	2,000,000	2,000,000	—	—	—
Net ...			**0**			**0**			**0**
Unfunded Debt—									
Deposits of Service Funds	87,102	9		86,300	—		85,600	—	
Savings Bank Deposits ...	6,665,679	—		7,328,100	—		8,103,200	—	
Total ...	6,752,781	9	6,752,790	7,414,400	—	7,414,400	8,188,800	—	8,188,800
Net ...			**899,842**			**1,735,000**			**1,926,700**
Deposits and Advances—									
Balances of Provincial Allotments	335,711	—		1,590,200	—		230,400	—	
Appropriation for Reduction or Avoidance of Debt	425,305	—		446,500	—		550,900	—	
Deposits of Local Funds—									
District Funds	5,144,086	—		5,443,700	—		5,333,900	—	
Other Funds	1,065,009	—		1,117,700	—		1,115,500	—	
Deposits of Sinking Funds	15,842	—		16,500	—		17,100	—	
Gold Standard Reserve ...	1.326	16,333,376 (*a*)		4,066,600	24,548,300 (*c*)		—	35,288,000	
Paper Currency Reserve...	—	8,190,295 (*b*)		—	47,389,000 (*d*)		—	46,618,000	
Departmental and Judicial Deposits	31,451,185	—		32,748,100	—		31,465,400	—	
Advances	6,325,608	1,662,917		8,108,700	1,716,900		7,657,600	1,348,600	
Suspense Accounts ...	42,067	—		197,500	—		107,300	—	
Miscellaneous	64,064	409,359		234,300	1,040,000		3,400	691,300	
Total ...	44,870,203	26,595,947	71,466,150	53,969,800	74,694,200	123,664,000	46,481,500	83,945,900	130,427,400
Net ...			**5,829,927**			**1,511,100**			**814,200**
Carried over ...	142,971,080	34,310,542		162,690,500	78,351,300		162,163,900	88,876,900	

(*a*) Includes £7,533,000 remitted from India by means of Council Bills and £41,188 on account of profit by exchange.
(*b*) Represents remittance from India by means of Council Bills.
(*c*) Includes £4,347,000 remitted from India by means of Council Bills.
(*d*) Includes £18,999,700 remitted from India by means of Council Bills.

Government of India, in India and in England.

—	Accounts, 1915–16.			Revised Estimate, 1916–17.			Budget Estimate, 1917–18.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	65,362,164	20,109,094	85,471,258	68,047,100	21,408,400	89,455,500	72,733,300	26,086,000	98,819,300
Add—Provincial Surpluses transferred to "Deposits" ...	335,711	—	335,711	1,590,200	—	1,590,200	230,400	—	230,400
Deduct—Provincial Deficits charged to "Deposits" ...	*204,771*	—	*204,771*	*28,700*	—	*28,700*	*328,600*	—	*328,600*
Total ...	65,493,104	20,109,094	85,602,198	69,608,600	21,408,400	91,017,000	72,635,100	26,086,000	98,721,100
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	776,544	36,409	812,953	615,100	13,200	628,300	589,000	11,000	600,000
Outlay on State Railways	3,923,370	852,742	4,776,112	984,400	316,700	1,301,100	2,297,100	927,100	3,224,200
Initial expenditure on new Capital at Delhi	321,383	9,891	331,274	244,400	22,300	266,700	251,700	15,000	266,700
Outlay of Railway Companies—									
Payments for Capital Outlay	—202,886	652,070	449,184	672,100	397,200	1,069,300	—8,100	658,500	650,400
Net ...			**439,753**			**1,056,800**			**648,400**
Raised and deposited by Railway Companies—									
Payments for Discharge of Debentures ...	—	375,200	375,200	—	830,000	830,000	—	3,186,400	3,186,400
Net ...			**0**			**0**			**0**
Permanent Debt Discharged—									
Sterling Debt—									
Indian Midland Railway Debentures	—	407,500		—	—		—	—	
Indian Bonds	—	500,000		—	500,000		—	500,000	
India 4 p. c. Stock ...	—	1,500		—	—		—	—	
Rupee Debt—									
4 p. c. Loans	—	—		80,000	—		80,000	—	
3½ p. c. Loans	493	—		154,500	—		—	—	
3 p. c. Loans	42,940	—		59,800	—		3,300	—	
Provincial Debentures	133	—		—	—		—	—	
Total ...	43,566	909,000	952,566	294,300	500,000	794,300	83,300	500,000	583,300
Net ...			**0**			**0**			**0**
Temporary Debt Discharged—									
Temporary Loans ...	3,000,000	7,000,000	10,000,000	4,000,000	9,000,000	13,000,000	333,300	—	333,300
Net ...			**3,000,000**			**11,000,000**			**333,300**
Unfunded Debt—									
Special Loans	1,131	—		300	—		300	—	
Deposits of Service Funds	95.002	—		93,600	—		96,500	—	
Savings Bank Deposits	5,756,815	—		5,585,500	—		6,165,300	—	
Total ...	5,852,948	—	5,852,948	5,679,400	—	5,679,400	6,262,100	—	6,262,100
Net ...			**0**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	204,771	—		28,700	—		328,600	—	
Deposits of Local Funds—									
District Funds ...	5,539,153	—		5,461,900	—		5,519,100	—	
Other Funds	1,120,858	—		1,070,500	—		1,158,700	—	
Gold Standard Reserve ...	69,957	(*e*) 10,549,067		3,968,000	24,340,900		100,000	35,288,000	
Paper Currency Reserve...	—	8,190,295		—	47,389,000		—	46,618,000	
Departmental and Judicial Deposits ...	30,724,965	—		32,042,000	—		31,279,500	—	
Advances	6,165,999	1,777,693		8,871,100	1,803,900		7,601,200	1,495,400	
Suspense Accounts ...	977,988	—		1,871,800	—		21,600	—	
Miscellaneous	25,973	289,504		—	305,100		—	203,100	
Total ...	44,829,664	20,806,559	65,636,223	53,314,000	73,838,900	127,152,900	46,008,700	83,604,500	129,613,200
Net ...			**0**			**0**			**0**
Carried over ...	124,037,693	50,750,965		135,412,300	106,226,700		128,452,200	114,988,500	

(*e*) Includes £225,000 on account of payment of sterling bills and telegraphic transfers on London.

C.—Statement of Receipts and Disbursements of the

—	Accounts, 1915-1916.			Revised Estimate, 1916-17.			Budget Estimate, 1917-1918.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward... ...	142,971,080	34,310,542		162,690,500	78,351,300		162,163,900	88,876,900	
Loans and Advances by Imperial Government	490,931	—	490,931	281,300	—	281,300	167,300	—	167,300
Net ...			**15,103**			**0**			**0**
Loans and Advances by Provincial Governments	1,556,038	—	1,556,038	1,422,500	—	1,422,500	1,191,700	—	1,191,700
Net ...			**308,232**			**547,500**			**262,500**
Loans to Local Boards for Railway Construction...	7,709	—	7,709	8,000	—	8,000	8,300	—	8,300
Net ...			**7,709**			**8,000**			**8,300**
Remittances—									
Inland Money Orders ...	39,073,870	—		40,000,000	—		41,333,300	—	
Other Local Remittances...	—	—		13,895,900	—		13,149,700	—	
Other Departmental Accounts	1,327	—		—	—		—	—	
Net Receipts by Civil Treasuries from—									
Railways	15,225,297	—		16,612,000	—		16,500,100	—	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	766,258	—		600,700	—		823,700	—	
Marine...	5,885,044	—		7,742,300	—		7,278,200	—	
Military Works ...	1,218,030	—		2,946,100	—		2,560,800	—	
Military	22,654,087	—		39,670,400	—		41,361,300	—	
Remittance Account between England and India—									
War Office transactions	14,123,307	16,006,932		7,533,800	42,016,800		3,661,500	40,161,500	
Indian War Loan ...	—	—		—	—		10,000,000	—	
Purchase of Silver ...	—	—		15,653,300	—		1,747,900	—	
Railway transactions...	2,096,082	3,491,106		760,300	16,500		1,385,200	1,266,500	
Other „	5,565,452	11,810,125		7,215,600	7,452,800		3,610,500	3,376,000	
Total ...	106,608,754	31,308,163	137,916,917	152,630,400	49,486,100	202,116,500	143,412,200	44,804,000	188,216,200
Net ...			**0**			**0**			**0**
Secretary of State's Bills drawn	—	(a) 4,590,034	4,590,034	—	(f) 9,669,000	9,669,000	—	—	—
Sterling Bills on London	(b) 4,668,000	—	4,668,000	—	—	—	—	—	—
Total Receipts	256,302,512	70,208,739 (c)		317,032,700	137,506,400 (d)		306,943,400	133,680,900 (e)	
Opening Balance	14,779,334	7,913,236		12,016,056	12,803,348		12,417,656	11,729,748	
GRAND TOTAL ...	271,081,846	78,121,975		329,048,756	150,309,748		319,361,056	145,410,648	

(a) In addition to £7,574,188 and £8,190,295 on account of the Gold Standard Reserve and the Paper Currency Reserve, respectively.
(b) „ £225,000 on account of the Gold Standard Reserve.
(c) Of this amount £8,322 represents the funds of the Gold Standard Reserve.

Delhi,
Finance Department,
March 1, 1917.

R. A. GAMBLE,
Comptroller General.

Government of India, in India and in England—*continued.*

—	Accounts, 1915-1916.			Revised Estimate, 1916-1917.			Budget Estimate, 1917-1918.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward ...	124,037,693	50,750,965		135,412,300	106,326,700		128,452,200	114,988,500	
Loans and Advances by Imperial Government	475,828	—	475,828	319,000	—	319,000	288,000	—	288,000
Net ...			**0**			**37,700**			**120,700**
Loans and Advances by Provincial Governments	1,247,806	—	1,247,806	875,000	—	875,000	929,200	—	929,200
Net ...			**0**			**0**			**0**
Remittances—									
Inland Money Orders ...	39,021,590	—		40,000,000	—		41,333,300	—	
Other Local Remittances...	116,339	—		13,895,900	—		13,149,700	—	
Other Departmental Accounts	17,924	—		—	—		—	—	
Net Payments into Civil Treasuries by—									
Railways	14,962,927	—		16,712,000	—		16,500,100	—	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs	769,928	—		600,700	—		823,700	—	
Marine	5,897,656	—		7,742,300	—		7,278,200	—	
Military Works ...	1,222,569	—		2,946,100	—		2,560,800	—	
Military	22,651,165	—		39,670,400	—		41,361,300	—	
Remittance Account between England and India—									
War Office transactions	28,225,218	1,756,340		42,016,800	7,533,800		40,161,500	3,661,500	
Indian War Loan ...	—	—		—	—		10,000,000	10,000,000	
Purchase of Silver ...	—	643,200		—	16,758,000		—	—	
Railway transactions ..	3,460,741	2,126,447		—	776,800		—	2,651,700	
Other „ ...	11,912,632	5,373,675		7,649,200	7,184,700		4,279,600	2,864,500	
Total ...	128,258,689	9,899,662	138,158,351	171,233,400	32,253,300	203,486,700	177,448,200	19,177,700	196,625 900
Net ...			**241,434**			**1,370,200**			**8,409,700**
Secretary of State's Bills paid	(a) 5,045,774	—	5,045,774	(f) 8,791,400	—	8,791,400	466,700	—	466,700
Sterling Bills on London	—	(b) 4,668,000	4,668,000	—	—	—	—	—	—
Total Disbursements ...	259,065,790	65,318,627	—	316,631,100	138,580,000		307,584,300	134,166,200	
Closing Balance... ...	12,016,056	(d) 12,803,348	—	12,417,656	(e) 11,729,748		11,776,756	(e) 11,244,448	
GRAND TOTAL ...	271,081,846	78,121,975	—	329,048,756	150,309,748		319,361,056	145,410,648	

(*d*) Of this amount £5,792,631 represents the funds of the Gold Standard Reserve.
(*e*) Of this amount £6,000,031 represents the funds of the Gold Standard Reserve.
(*f*) In addition to £4,347,000 and £18,999,700 on account of the Gold Standard Reserve and the Paper Currency Reserve, respectively.

M. M. S. GUBBAY,
Offg. Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1915–16.	Revised, 1916–17.	Budget. 1917–18.
Madras—	R.	R.	R.
Balance on April 1st	1,10,16,052	1,10,02,000	1,43,35,000
Special grants from Imperial revenues	24,50,000	24,50,000	28,50,000
Other revenue	7,43,20,362	7,68,82,000	7,78,35,000
Total Revenue including transfers from Imperial revenues	7,67,70,362	7,93,32,000	8,06,85,000
Total Expenditure	7,67,84,198	7,59,99,000	7,94,61,000
Closing Balance	1,10,02,216	1,43,35,000	1,55,59,000
Bombay—			
Balance on April 1st	1,58,04,277	1,77,01,000	2,38,58,000
Special grants from Imperial revenues	20,80,000	20,80,000	23,30,000
Other revenue	7,54,79,800	7,77,45,000	7,79,04,000
Total Revenue including transfers from Imperial revenues	7,75,59,800	7,98,25,000	8,02,34,000
Total Expenditure	7,56,63,179	7,36,68,000	7,86,74,000
Closing Balance	1,77,00,898	2,38,58,000	2,54,18,000
Bengal—			
Balance on April 1st	2,72,60,323	2,79,19,000	3,29,39,000
Special grants from Imperial revenues	35,20,650	35,13,000	44,13,000
Other revenue	5,99,39,348	6,21,04,000	6,23,86,000
Total Revenue including transfers from Imperial revenues	6,34,59,998	6,56,17,000	6,67,99,000
Total Expenditure	6,28,01,186	6,05,97,000	6,77,20,000
Closing Balance	2,79,19,135	3,29,39,000	3,20,18,000
United Provinces—			
Balance on April 1st	1,45,06,570	1,55,35,000	1,70,33,000
Special grants from Imperial revenues	24,98,500	24,29,000	24,79,000
Other revenue	6,65,57,466	6,67,35,000	6,61,80,000
Total Revenue including transfers from Imperial revenues	6,90,55,966	6,91,64,000	6,86,59,000
Total Expenditure	6,80,27,810	6,76,66,000	6,87,81,000
Closing Balance	1,55,34,726	1,70,33,000	1,69,11,000
Punjab—			
Balance on April 1st	52,21,326	63,55,000	1,02,83,000
Special grants from Imperial revenues	13,60,400	15,16,000	15,00,000
Other revenue	4,74,90,784	4,93,52,000	4,97,70,000
Total Revenue including transfers from Imperial revenues	4,88,51,184	5,08,68,000	5,12,70,000
Total Expenditure	4,77,17,622	4,69,40,000	5,09,94,000
Closing Balance	63,54,888	1,02,83,000	1,05,59,000
Burma—			
Balance on April 1st	93,25,145	83,52,000	96,01,000
Special grants from Imperial revenues	9,93,800	9,94,000	12,94,000
Other revenue	5,44,38,679	5,64,67,000	5,72,60,000
Total Revenue including transfers from Imperial revenues	5,54,32,479	5,74,61,000	5,85,54,000
Total Expenditure	5,64,05,569	5,62,12,000	5,99,05,000
Closing Balance	83,52,055	96,01,000	82,50,000
Bihar and Orissa—			
Balance on April 1st	1,54,33,496	1,43,00,000	1,40,44,000
Special grants from Imperial revenues	14,60,500	14,64,000	20,40,000
Other revenue	3,02,83,475	3,02,76,000	2,95,62,000
Total Revenue including transfers from Imperial revenues	3,17,43,975	3,17,40,000	3,16,02,000
Total Expenditure	3,28,77,516	3,19,96,000	3,40,73,000
Closing Balance	1,42,99,955	1,40,44,000	1,15,73,000
Central Provinces—			
Balance on April 1st	97,45,524	1,00,64,000	1,27,32,000
Special grants from Imperial revenues	9,14,000	9,14,000	10,74,000
Other revenue	2,80,30,628	2,96,60,000	3,00,49,000
Total revenue including transfers from Imperial revenues	2,89,44,628	3,05,74,000	3,11,23,000
Total Expenditure	2,86,26,120	2,79,06,000	3,07,28,000
Closing Balance	1,00,64,032	1,27,32,000	1,31,27,000
Assam—			
Balance on April 1st	29,48,878	19,98,000	18,24,000
Special grants from Imperial revenues	4,47,500	4,48,000	5,48,000
Other revenue	1,38,41,471	1,42,42,000	1,48,44,000
Total Revenue including transfers from Imperial revenues	1,42,88,971	1,46,90,000	1,53,92,000
Total Expenditure	1,52,40,070	1,48,64,000	1,54,56,000
Closing Balance	19,97,779	18,24,000	17,60,000
Total—			
Balance on April 1st	11,12,61,591	11,32,26,000	13,66,49,000
Special grants from Imperial revenues	1,57,25,350	1,58,08,000	1,85,28,000
Other revenue	45,03,82,013	46,34,63,000	46,57,90,000
Total Revenue including transfers from Imperial revenues	46,61,07,363	47,92,71,000	48,43,18,000
Total Expenditure	46,41,43,270	45,58,48,000	48,57,92,000
Closing Balance	11,32,25,684	13,66,49,000	13,51,75,000
Total (in sterling)—	£	£	£
Balance on April 1st	7,417,439	7,548,400	9,109,900
Special grants from Imperial revenues	1,048,357	1,053,900	1,235,200
Other revenue	30,025,467	30,897,500	31,052,700
Total Revenue including transfers from Imperial revenues	31,073,824	31,951,400	32,287,900
Total Expenditure	30,942,884	30,389,900	32,386,100
Closing Balance	7,548,379	9,109,900	9,011,700

R. A. GAMBLE, *Comptroller General.*

M. M. S. GUBBAY, *Offg. Controller of Currency.*

J. B. BRUNYATE, *Secy. to the Govt. of India.*

DELHI,
FINANCE DEPARTMENT,
March 1, 1917.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.		ACCOUNTS, 1915–16.					REVISED ESTIMATE, 1916-17.		BUDGET ESTIMATE, 1917-18.	
		Revenue.	Expenditure. Refunds and Assignments.	Expenditure. Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.		£	£	£	£	£	£	£	£	£
Principal Heads of Revenue	Land Revenue (excluding that due to Irrigation)	22,031,161	771,413	3,903,714	17,356,034		17,415,400		17,500,200	
	Opium	1,913,514	3,602	1,144,331	765,581		2,138,200		2,064,700	
	Salt	3,647,587	274,789	376,722	2,996,076		4,120,500		3,295,600	
	Stamps	5,433,632	56,881	147,150	5,229,601		5,594,700		5,747,800	
	Excise	8,632,209	133,938	470,740	8,027,531		8,561,600		8,694,100	
	Provincial Rates	41,845	30	...	41,815		30,500		27,500	
	Customs	5,873,886	153,579	262,264	5,458,043		8,136,600		8,884,100	
	Income Tax	2,090,109	16,053	34,426	2,039,630		3,503,900		5,027,200	
	Forest	2,074,425	9,160	1,242,867	822,398		1,025,300		868,600	
	Registration	618,879	966	259,840	258,073		276,400		283,500	
	Tributes	609,128	204,905	...	404,223		397,700		411,100	
	TOTAL	52,866,375	1,625,316	7,842,054	43,399,005		51,200,800		52,804,400	
	Total deduction from Revenue		9,467,370							
Expenditure Heads.										
Debt Services	Interest	1,096,417	1,190,364			93,947	318,300			4,737,100
Commercial Services	Posts and Telegraphs	3,787,478	3,149,680		637,798		621,100		743,800	
	Railways	17,977,103	13,901,665		4,075,438		6,796,300		6,105,600	
	Irrigation	4,779,079	3,721,096		1,057,983		1,292,500		1,291,200	
Other Public Works	Civil Works, etc.	304,035	5,451,727			5,147,692		4,419,600		5,251,300
Mint	Mint	101,918	89,373		12,545		452,100		23,300	
Civil Departments	Civil Departments	1,579,904	18,868,215			17,288,311		17,945,700		19,214,100
Miscellaneous Civil Services	Superannuation	213,927	3,470,283			3,256,356		3,274,100		3,319,400
	Exchange	74,254	...		74,254		146,700			
	Miscellaneous	302,173	472,439			170,266		280,900		268,500
	Other heads	89,134	1,185,953			1,096,819		1,178,500		1,246,300
Famine Relief and Insurance	Famine Relief	...	74,695			74,695		199,300		29,600
	Other heads	...	925,305			925,305		800,700		970,400
Military Services	Army—Effective	816,434	18,693,270			17,876,836		20,439,100		21,136,300
	Army—Non-effective	123,509	3,199,930			3,076,421		3,053,000		3,093,300
	Marine	223,263	745,513			522,250		371,400		577,700
	Military works	78,534	850,866			772,332		1,457,000		1,078,700
	Special Defences (1902)	...	13,514			13,514		29,500		14,000
	TOTAL	84,413,537	85,471,258			1,057,721	7,379,000		31,600	
Provincial Adjustment	Surplus		130,940			130,940		1,561,500		
	Deficit		...						98,200	
	TOTAL	84,413,537	85,602,198			1,188,661	5,817,500		129,800	
	Surplus						5,817,500		129,800	
	Deficit					1,188,661				
Capital Account	Railway, Irrigation and other Capital not charged to Revenue:—									
	Capital raised through Companies towards outlay on State Railways				3,472,246					
	Capital contributed by Native States towards construction of State Railways				66,667		66,700		66,700	
	Capital raised and deposited by Railway Companies (net)				393,201		733,000		318,600	
	Outlay on Irrigation Works					812,953		628,300		600,000
	Outlay on State Railways					4,776,112		1,301,100		3,224,200
	Initial outlay on new Capital at Delhi					331,274		266,700		266,700
	Outlay of Railway Companies (net)					439,753		1,056,800		648,400
Debt, Deposits, Advances, and Remittances	Permanent Debt (net)				2,379,834		3,692,400		9,416,700	
	Temporary Debt (net)					3,000,000		11,000,000		333,300
	Unfunded Debt (net)				899,842		1,735,000		1,926,700	
	Loans and Advances by Imperial Goverment (net)				15,103			37,700		120,700
	Loans and Advances by Provincial Governments (net)				308,232		547,500		262,500	
	Loans to Local Boards for Railway Construction (net)				7,709		8,000		8,300	
	Deposits and Advances (net)				5,829,927		1,511,100		814,200	
	Remittances (net)					241,434		1,370,200		8,409,700
	Secretary of State's Bills drawn				4,590,034		9,669,000			
	Secretary of State's Bills paid					5,045,774		8,791,400		466,700
	Sterling Bills on London drawn				4,668,000					
	Sterling Bills on London paid					4,668,000				
					22,630,795	20,503,961	23,780,200	24,452,200	12,943,500	14,069,700
Cash Balance	Opening Balance				22,692,570		24,819,404		24,147,404	
	Closing Balance					24,819,404		24,147,404		23,021,204
	TOTAL				45,323,365	45,323,365	48,599,604	48,599,604	37,090,904	37,090,904

R. A. GAMBLE,
Comptroller General.

M. M. S. GUBBAY,
Offg. Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT,
March 1, 1917.

The following Bill was introduced in the Indian Legislative Council on the 1st March, 1917:—

No. 6 of 1917.

A Bill further to amend the Indian Tariff Act, 1894.

WHEREAS it is expedient further to amend the Indian Tariff Act, 1894; It is hereby enacted as follows:— VIII of 1894.

Short title and retrospective effect.

1. (*1*) This Act may be called the Indian Tariff (Amendment) Act, 1917.

(*2*) It shall be deemed to have come into force on the first day of March, 1917, and any sums due on account of new duties leviable thereunder or of any deficiency between the duties which have been paid and the duties which are leviable thereunder shall be deemed to be duties short levied within the meaning of section 39 of the Sea Customs Act, 1878, and that Act shall apply accordingly. VIII of 1878.

2. In Schedule II, Part II, of the Indian Tariff Act, 1894, as subsequently amended, (hereinafter called the said Act) VIII of 1894.

Amendment of Schedule II, Part II. of Act VIII of 1894.

(*i*) For item 50 the following shall be substituted, namely:—

"50	SILVER PLATE, silver thread and wire, and silver manufactures, all sorts.	*Ad valorem*	10 "per cent."

(*ii*) Item 51 is hereby repealed.

(*iii*) For item 107 the following shall be substituted, namely:—

	YARNS AND TEXTILE FABRICS.		
"107	YARNS AND TEXTILE FABRICS, that is to say:— Cotton piece-goods, thread other than sewing or darning thread, and all other manufactured cotton goods not otherwise specified; Flax twist and yarn, and manufactures of flax; Haberdashery and millinery; Hemp manufactures; Hosiery; Jute twist and yarn, and jute manufactures excluding second-hand or used gunny bags (*see* No. 24); Silk yarn, noils and warps, silk thread, silk piece-goods and other manufactures of silk; Woollen yarn, knitting wool and other manufactures of wool including felt; All other sorts of yarns and textile fabrics not otherwise specified."		

3. In Schedule III of the said Act.

Amendment of Schedule III of Act VIII of 1894.

(*i*) For item I the following shall be substituted, namely:—

			Rs.	A.
"1	RAW JUTE—			
	(1) Cuttings	Bale of 400 lbs. ...	1	4
	(2) All other descriptions	„ „ ...	4	8

(*ii*) For item 2 the following shall be substituted, namely:—

			Rs.	A.	P.
"2	JUTE MANUFACTURES, when not in actual use as coverings, receptacles or bindings for other goods—				
	(1) Sacking (cloth, bags, twist, yarn, rope and twine) ...	Ton of 2,240 lbs. ...	20	0	0
	(2) Hessians and all other descriptions of jute manufactures not otherwise specified.	„ „ ...	32	0	0

STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is to revise the Indian Tariff Act of 1894 so as to enable the Government of India to obtain increased revenue from certain customs duties. It is proposed to raise to 7½ per cent. the special tariff rate of 3½ per cent. applicable to cotton piece-goods, and to double the rates of export duties on raw jute and jute manufactures.

2. Opportunity is being taken to revise the rate of duty applicable to silver plate and silver thread and wire, and silver manufactures of all sorts which are now taxed at 15 per cent. *ad valorem*, subject to the proviso that where the silver contents of an article can be ascertained the duty shall be levied at the rate of 4 annas per ounce on the amount of silver contents and at the rate of 7½ per cent. *ad valorem* on the difference between the value of such silver calculated at the market value of silver and the real value of the article. This proviso has caused certain administrative difficulties, and it is now proposed to levy duty at a uniform rate of 10 per cent. *ad valorem* on the articles specified.

W. S. MEYER.

The 27th February, 1917.

The following Bill was introduced in the Indian Legislative Council on the 1st March, 1917:—

No. 7 OF 1917.

A Bill further to amend the Indian Income-tax Act, 1886.

II of 1886. WHEREAS it is expedient further to amend the Indian Income-tax Act, 1886; It is hereby enacted as follows:—

Short title and commencement.

1. This Act may be called the Indian Income-tax (Amendment) Act, 1917.

II of 1886. Insertion of new section 14A in Act II of 1886.

2. After section 14 of the Indian Income-tax Act, 1886 [hereinafter called the said Act], the following section shall be inserted, namely:—

Notices to persons with incomes of not less than one thousand rupees.

"14A. (*1*) In the case of any person whose income is, in the Collector's opinion, not less than one thousand rupees, the Collector may cause a notice to be served upon him requiring him to furnish within such period as may be specified in the notice a return in the prescribed from setting forth (along with such other particulars as may be provided for in the notice) the income accruing to such person during the year ending on the day on which his accounts have been last made up or, if his accounts have not been made up within the year ending on the 31st day of March in the year immediately preceding that for which the assessment is to be made, then the income accruing to him during the year ending on the said 31st day of March.

(2) A person making a return required by sub-section (*1*) shall add at the foot thereof a declaration that the income shown in the return is truly estimated on each of the sources therein mentioned, that it has actually accrued within the period therein stated, and that the person making the return has no other source of income."

New section 18 substituted in Act II of 1886.

3. For section 18 of the said Act, the following section shall be substituted, namely:—

"18. The Collector may include in a list under section 16 any person who is liable to be served with a notice under section 17 instead of or in addition to serving him with such a notice, and may serve a notice under section 17 on any person liable to be included in a list under section 16 instead of or in addition to including him in such a list."

Amendment of section 25 of Act II of 1886.

In section 25 of the said Act after the words "under Part IV may," the following shall be inserted, namely:—

"Provided that he has duly complied with the requirements of any notice served upon him under section 14A."

Amendment of section 34 of Act II of 1886.

5. After clause (*c*) of sub-section (*1*) of section 34 of the said Act, the following shall be inserted, namely:—

"(*d*) to furnish within the specified period a return required of him under section 14A."

Amendment of section 35 of Act II of 1886.

6. In section 35 of the said Act, for the words and figures "mentioned in section 18, sub-section (*2*)" the words and figures "required under section 14A, sub-section (*2*)" shall be substituted.

Amendment of section 50A of Act II of 1886.

7. In section 50A of the said Act the letters and figures "18 (*1*) (*a*), (*b*), (*c*)" are hereby repealed.

STATEMENT OF OBJECTS AND REASONS.

Section 18 of the Indian Income Tax Act, 1886 (II of 1886), enables a Collector, subject to certain limitations, to "invite" a person chargeable to income tax under Part IV to submit a return of his income, but the acceptance of any such invitation is purely optional and there is no penalty in the event of non-compliance. The procedure at present prescribed has been found insufficient to secure the accurate ascertainment of income on which the proper and equitable administration of the Act depends, and the necessity for improving procedure in this respect is accentuated by the recent introduction of a graduated scale of taxation and the intended imposition of a super-tax, the efficient administration of which will depend, in large measure, on the completeness and accuracy of the assessments to ordinary income tax.

2. As a step towards this improvement of procedure, it is proposed to repeal section 18 of the Act and empower Collectors to require individuals to submit returns of income, under pain of a fine which may amount to ten rupees for every day during which default in furnishing the return continues, and with liability under section 35 of the Act in case of misstatement. Clauses 2, 3, 5 and 6 of the present Bill embody this proposal. It is also provided in clause 4 of the Bill that a person who has failed to furnish a return of his income, after being required to submit it, shall not subsequently be entitled to contest his assessment.

W. S. MEYER.

DELHI:
The 28th February, 1917.

The following Bill was introduced in the Indian Legislative Council on the 1st March, 1917:—

No. 8 OF 1917.

A Bill to impose a tax on income in addition to that imposed by the Indian Income-tax Act, 1886.

WHEREAS it is expedient to impose a tax on income in addition to that imposed by the Indian Income-tax Act, 1886; it is hereby enacted as follows:— II of 1886.

Short title, extent and commencement.

1. (*1*) This Act may be called the Super-tax Act, 1917;

(*2*) It extends to the whole of British India, and applies also within the dominions of Princes and States in India in alliance with His Majesty to British subjects in those dominions who are in the service of the Government of India, or of a local authority established in the exercise of the powers conferred on the Governor General in Council in that behalf; and

(*3*) It shall come into force on the first day of April, 1917.

Definitions.

2. (*1*) In this Act, unless there is anything repugnant in the subject or context,—

"previous year" means the year ending on the day on which the accounts of any person have been last made up or, if his accounts have not been made up within the year ending on the 31st day of March in the year immediately preceding that for which the assessment is to be made then the year ending on the said 31st day of March;

"principal Act" means the Indian Income-tax Act, 1886; II of 1886.

"super-tax" means a tax imposed by this Act;

"taxable income" means so much of the total income of any person or company as is in excess of rupees fifty thousand;

"total income" means the income accruing in the previous year from all sources except—

(*a*) from the sources specified in section 5 (*1*) (*a*), (*b*), (*c*), (*e*), (*g*) and (*h*) of the principal Act; and

(*b*) in the case of a Hindu undivided family, so much of the joint income of such family as has been actually expended or paid for the maintenance or other expenses of any member of such family or paid to any such member;

(*c*) in the case of a firm, so much of the income of the firm as has been paid to the members of the firm; and

(*d*) in the case of a company, so much of the income of the company as has been paid or declared for payment by way of dividends to any of its members,

Provided that nothing in clauses (*b*), (*c*) or (*d*) of the definition shall be deemed to exempt from super-tax any income therein referred to when received by any member of such family, firm or company.

(*2*) Words and expressions used in this Act and defined in the principal Act and not hereinbefore defined shall be deemed to have the meanings respectively attributed to them by that Act.

Incomes liable to super-tax and rate thereof.

3. In addition to the tax imposed by section 4 of the principal Act, there shall be charged and recovered and paid in the year beginning with the 1st day of April, 1917, and in each subsequent year to the credit of the Government of India, or as the Governor General in Council may direct, by every person subject to this Act and by every company, a super-tax upon the taxable income of such person or company computed at the rate specified in the Schedule.

Collector to determine persons chargeable.

4. The Collector shall, from time to time, determine what persons and companies are chargeable with the super-tax, and the amount at which every person chargeable shall be assessed.

Power to call for returns.

5. (*1*) In the case of a person or company whose total income is in the Collector's opinion of an amount chargeable with super-tax, the Collector, instead of or in addition to the notice referred to in section 14A of the principal Act, may cause a notice to be served upon him or it requiring him or it to furnish, within such period as may be specified in the notice, a return in the prescribed form with a declaration annexed thereto to the same effect as that required to be annexed to a return under the said section, setting forth the total income in the previous year of such person or company, and such further particulars as may be provided for by such form.

(*2*) Every notice issued under sub-section (*1*) and every return and declaration required by such notice shall be deemed respectively to be a notice issued and a return and declaration required under section 14A of the principal Act, and that Act shall apply accordingly.

(*3*) Where a return is furnished in accordance with the terms of a notice under this section or under section 14A of the principal Act, the assessment to be made by the Collector shall be made after considering such return. If no such return is furnished, such assessment shall be made according to the discretion of the Collector.

Notice to persons chargeable with super-tax.

6. In the case of a person or company who, in the Collector's opinion, is chargeable with super-tax, the Collector shall cause a notice to be served on him or it stating the following particulars, namely:—

(*a*) his or its name and the source or sources of the income in respect of which he or it is chargeable;

(*b*) the year or portion of the year for which the tax is to be paid;

(*c*) the place or places, district or districts where the income accrues;

(*d*) the amount to be paid; and

(*e*) the places where and the person to whom the amount is to be paid;

and requiring him or it to pay within sixty days from the date specified in the notice the amount stated therein as payable by him or to apply to the Collector within thirty days from that date to have the assessment reduced or cancelled

Time and place of payment.

7. Every amount specified as payable in a notice served under section 6 shall be paid within the time, at the place and to the person mentioned in the notice.

Application of provisions of Act II of 1886.

8. Subject to the provisions of this Act—

(*a*) the provisions of sections 20 to 24 of the principal Act shall apply in the case of super-tax as if that tax were income-tax chargeable under Part IV of the principal Act;

(*b*) the provisions of Chapter IV of the principal Act shall apply to the revision of assessment to super-tax as if that tax were income-tax chargeable under Part IV of the principal Act:

Provided that the time within which the petition referred to in section 25 (2) of the principal Act shall ordinarily be presented shall be the period specified in the notice served under section 6 of this Act, and that the form of the petition shall be modified in such manner as may be necessary to adapt it for the purposes of this Act; and

(*c*) the provisions of Chapter V of the principal Act and of sections 32, 36, 37 and 39 to 50A of the principal Act shall, as far as may be, apply, in regard to the matters mentioned therein, in the case of the super-tax as if that tax were income-tax chargeable under the principal Act.

Rule-making power.

9. (*1*) The Governor General in Council may make rules consistent with this Act for ascertaining and determining the taxable income of any person thereunder, for preventing disclosure of particulars contained in documents delivered or produced with respect to such assessments, for prescribing the procedure that is to be followed on applications for refund of super-tax chargeable under this Act, for providing for the payment of that tax by instalments, and generally for carrying out the purposes of this Act, and may delegate to a Local Government the power to make such rules so far as regards the territories subject to that Government.

(*2*) In making a rule for preventing the disclosure of any particulars referred to in sub-section (*1*), the Governor General in Council may direct that a public servant committing a breach of the rule shall be deemed to have committed an offence under section 166 of the Indian Penal Code: XLV of 1860.

Provided that a person committing any such offence shall not be liable to be prosecuted therefor without the previous sanction of the Local Government.

(*3*) Rules made under this section shall be published in the official Gazette.

SCHEDULE.

In respect—

(1) of the first fifty thousand rupees of taxable income—one anna in the rupee;

(2) of the next fifty thousand rupees of taxable income—one and a half annas in the rupee;

(3) of the next fifty thousand rupees of taxable income—two annas in the rupee;

(4) of the next fifty thousand rupees of taxable income—two and a half annas in the rupee;

(5) of all taxable income over two lakhs of rupees—three annas in the rupee.

STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is to raise revenue by imposing a super-tax on large incomes supplementing the existing income-tax. The tax will be on a graduated scale, and will leave untouched the first Rs. 50,000 of income. The second Rs. 50,000 will pay one anna in the rupee, the third, one and a half annas, the fourth two and the fifth two and a half. Three annas in the rupee will be chargeable on every rupee of total income in excess of Rs. 2,50,000.

2. Liability to the tax, and the rate at which it is levied, will be determined by the income accruing to the assesseee in the previous year from all sources subject to certain specified exceptions. Thus the Bill excludes agricultural profits and allows deductions subject to the conditions of the Income-tax Act of payments made on account of life insurance. Receipts from property employed for religious and charitable purposes will also be excluded.

3. The super-tax will in general be a tax on the incomes accruing to individual assessees, and it will not be deducted "at the source" from dividends or interest on securities received by them, the proceeds of such dividends or interest being included in the returns of total income which, under clause 5 of the Bill, they may be required to furnish. But companies and firms will be chargeable to the tax on such portion of their income as has not been distributed in dividends, or in payments to the members of the firm.

4. In other respects, the provisions of the Bill dealing with the assessment and collection of the super-tax follow generally the lines of the provisions of the Indian Income-tax Act, 1886 (II of 1886); but it is not proposed to permit composition for super-tax over a period of years. On the other hand, clause 9 of the present Bill allows for rules which may provide *inter alia* for payment of the super-tax in suitable instalments.

DELHI,
The 28th February, 1917.

W. S. MEYER.

The following Report of the Select Committee on the Bill further to amend the Indian Income-tax Act, 1886, was presented to the Indian Legislative Council on the 7th March, 1917:—

WE, the undersigned, Members of the Select Committee to which the Bill further to amend the Indian Income-tax Act, 1886, was referred, have considered the Bill, and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

2. We have only made one change in the Bill as referred to us. We have altered clause 4 of the Bill so as to confine the restriction on the power to petition under section 25 (*1*) which is imposed by that clause to the case where a person has made wilful default in furnishing the new compulsory return for which clause 2 of the Bill makes provision.

3. We think that the Bill has not been so altered as to require republication, and we recommend that it be passed as now amended.

W. S. MEYER.

G. R. LOWNDES.

*M. M. MALAVIYA.

FAZULBHOY CURRIMBHOY.

SITA NATH RAY.

J. B. BRUNYATE.

J. S. WARDLAW MILNE.

S. L. APLIN.

E. H. BRAY.

E. H. C. WALSH.

L. DAVIDSON.

DELHI,
The 5th March, 1917.

* I would omit section 4.

M. M. MALAVIYA.

The following Report of the Select Committee on the Bill to impose a tax on income in addition to that imposed by the Indian Income-tax Act, 1886, was presented to the Indian Legislative Council on the 7th March, 1917:—

WE, the undersigned, Members of the Select Committee to which the Bill to impose a tax on income in addition to that imposed by the Indian Income-tax Act, 1886, was referred, have considered the Bill, and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

2. It was represented to us that in the case of the super-tax, the definition of "previous year" which is contained in the Bill might in certain cases operate harshly by throwing the tax back to too distant a period, *e.g.*, in the case of a company whose accounts were made up on June 30th. We recognize that there may be some force in this criticism, and we have therefore permitted a person or company either to make up his or its accounts to the 31st of March in the year immediately preceding the assessment, or to elect for his or its own particular account year, but as a necessary corollary to this we have provided that this option cannot be exercised more than once without the consent of the Collector.

3. Certain Members of the Committee argued that the imposition of the super-tax on the undivided income of a company was calculated to operate harshly on those companies which had adopted the perfectly sound method of devoting a considerable portion of such undivided profits to creating a reserve fund, by whatever name such fund was called. We recognize that there is a good deal to be said for this point of view, especially in India, where commercial enterprises need careful nursing; and the position is of course the same in the case of firms and Hindu undivided families since the three classes in question are treated on

the same footing throughout the Bill. It is obvious that any modification of the terms of the original Bill to meet such cases must result in some diminution of the revenue which it is the object of this Bill to secure; but the Hon'ble the Finance Member was willing on full consideration of the question to allow a deduction from taxable income of one-tenth of what may be described as the income chargeable to income-tax under the Income-tax Act, and we think that this may reasonably be described as a generous concession. We have accordingly inserted a provision in the Bill requiring the Collector, when determining the amount at which companies, firms and undivided Hindu families should be assessed, to make a deduction from the taxable income of one-tenth of the income chargeable with income-tax under the Income-tax Act.

4. We have inserted an amendment of clause 6 to provide for a case where the super-tax may, by rules made under the Act, have been made payable by instalments. Beyond a few drafting changes of minor importance, we have made no other change in the Bill.

5. We think that the Bill has not been so altered as to require re-publication, and we recommend that it be passed as now amended.

W. S. MEYER.

G. R. LOWNDES.

†M. M. MALAVIYA.

FAZULBHOY CURRIMBHOY.

*SITA NATH RAY.

J. B. BRUNYATE.

J. S. WARDLAW MILNE.

S. L. APLIN.

E. H. BRAY.

E. H. C. WALSH.

L. DAVIDSON.

The 5th March, 1917.

---

* *Note of Dissent*

Not approving of the provisions of clauses (*b*), (*c*), (*d*) of section 2, sub-section (*1*) of the Super-tax Bill I moved some amendments in the Select Committee which were negatived. I sign this Report subject to my right of moving those and other amendments in the Council. I object to the insertion of the word "otherwise" in 2 (*1*) (*d*).

SITA NATH RAY.

† I sign subject to my note appended below.

M. M. MALAVIYA.

Note.

Our object has no doubt been, as is stated in the report above, to treat firms, companies and Hindu undivided families "on same footing throughout the Bill." But I regret that this object is not secured by section 2 (1) (*b*) of the Bill as it stands even after the amendment made by the Select Committee. In the case of a firm, so much of the income of the firm as has been paid or finally allotted to any of the members of the firm, and in the case of a company so much of the income of the company as has been paid or declared for payment by way of dividends or otherwise, to any of its members, it is to be deducted from the total income of the firm or company concerned to determine the "taxable income." Similarly in the case of a Hindu undivided family so much of the joint income of such family as has been *paid or finally allotted* to any member of the family is to be deducted from the total income to arrive at the taxable income, subject to the important proviso which applies equally to the three classes in question. But according to the law governing a joint Hindu family, what will be *finally allotted* to a member of the family will become his separate property, and the succesion to this property may be widely different from what it would be if the income was not so allotted to one member. Such allotments, particularly when they will run through a number of years, will not unnaturally be relied on as evidencing the disruption of the joint family. Members of a Hindu joint family will thus be placed in an unfortunate predicament. They will lose the benefit of the exemption unless they *finally allot* to each member the amount which will be payable to him on a division. If they do so, this will in law mean a *separation*, certainly as regards the amount or amounts so allotted, and not improbably as regards the whole of the joint family property.

To remedy this, I suggest that for clause 2 (1) (*b*) the following be substituted :—

"In the case of a Hindu undivided family so much of the joint income of such family as would not be liable to assessment under this Act if all the members of the family had been divided on the date of assessment.

Provided that the total amount payable by such joint family does not exceed the aggregate sum which would have been payable by the several members of the family in respect of their shares of the income, if they had been divided."

MADAN MOHAN MALAVIYA.

The following Act of the Indian Legislative Council received the assent of the Governor General on the 7th March, 1917, and is hereby promulgated for general information:—

ACT No. VI OF 1917.

An Act further to amend the Indian Tariff Act, 1894.

VIII of 1894.

WHEREAS it is expedient further to amend the Indian Tariff Act, 1894; It is hereby enacted as follows:—

Short title and retrospective effect.

1. (*1*) This Act may be called the Indian Tariff (Amendment) Act, 1917.

(*2*) It shall be deemed to have come into force on the first day of March, 1917, and any sums due on account of new duties leviable thereunder, or of any deficiency between the duties which have been paid and the duties which are leviable thereunder, shall be deemed to be duties short levied within the meaning of section 39 of the Sea Customs Act, 1878, and that Act shall apply accordingly.

VIII of 1878.

VIII of 1894.

Amendment of Schedule II, Part II, of Act VIII of 1894.

2. In Schedule II of the Indian Tariff Act, 1894, as subsequently amended (hereinafter called the said Act)—

(*i*) For item 50 the following shall be substituted, namely:—

"50	SILVER PLATE, silver thread and wire, and silver manufactures, all sorts.	*Ad valorem*	10 per cent."

(*ii*) Item 51 is hereby repealed.

(*iii*) For item 107 the following shall be substituted, namely:—

	YARNS AND TEXTILE FABRICS.	
107	YARNS AND TEXTILE FABRICS, that is to say:— Cotton piece-goods, thread other than sewing or darning thread, and all other manufactured cotton goods not otherwise specified; Flax twist and yarn, and manufactures of flax; Haberdashery and millinery; Hemp manufactures; Hosiery; Jute twist and yarn, and jute manufactures, excluding second-hand or used gunny bags (*see* No. 24); Silk yarn, noils and warps, silk thread, silk piece-goods and other manufactures of silk; Woollen yarn, knitting wool and other manufactures of wool including felt; All other sorts of yarns and textile fabrics not otherwise specified."	

3. In Schedule III of the said Act—

Amendment of Schedule III of Act VIII of 1894.

(*i*) For item 1 the following shall be substituted, namely:—

			Rs. A.
"1	RAW JUTE—		
	(1) Cuttings	Bale of 400 lbs. ...	1 4
	(2) All other descriptions	„	4 8 "

(*ii*) For Item 2 the following shall be substituted, namely:—

			Rs. A. P.
"2	JUTE MANUFACTURES, when not in actual use as coverings, receptacles or bindings for other goods—		
	(1) Sacking (cloth bags, twist, yarn, rope and twine) ...	Ton of 2,240 lbs. ...	20 0 0
	(2) Hessians and all other descriptions of jute manufactures not otherwise specified.	„ ...	32 0 0

The following Act of the Indian Legislative Council received the assent of the Governor General on the 7th March, 1917, and is hereby promulgated for general information:—

ACT No. VII. OF 1917.

An Act further to amend the Indian Income-tax Act, 1886.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1886; It is hereby enacted as follows:— II of 1886.

Short title.

1. This Act may be called the Indian Income-tax (Amendment) Act, 1917.

Insertion of new section 14A in Act II of 1886.

2. After section 14 of the Indian Income-tax Act, 1886 (hereinafter called the said Act), the following section shall be inserted, namely:— II of 1886.

"14A. (*1*) In the case of any person whose income is, in the Collector's opinion, not less than one thousand rupees, the Collector may cause a notice to be served upon him requiring him to furnish within such period as may be specified in the notice a return in the prescribed form setting forth (along with such other particulars as may be provided for in the notice) the income accruing to such person during the year ending on the day on which his accounts have been last made up or, if his accounts have not been made up within the year ending on the 31st day of March in the year immediately preceding that for which the assessment is to be made, then the income accruing to him during the year ending on the said 31st day of March.

Notices to persons with income of not less than one thousand rupees.

(*2*) A person making a return required by sub-section (*1*) shall add at the foot thereof a declaration that the income shown in the return is truly estimated on each of the sources therein mentioned, that it has actually accrued within the period therein stated, and that the person making the return has no other source of income."

New section 18 substituted in Act II of 1886.

3. For section 18 of the said Act, the following section shall be substituted, namely:—

" 18. The Collector may include in a list under section 16 any person who is liable to be served with a notice under section 17 instead of or in addition to serving him with such a notice and may serve a notice under section 17 on any person liable to be included in a list under section 16 instead of or in addition to including him in such a list."

Power to modify ordinary procedure.

Amendment of section 25 of Act II of 1886.

4. In section 25 (*1*) of the said Act after the words "under Part IV may," the following shall be inserted, namely:—

" unless he has knowingly and wilfully failed to comply with the requirements of any notice served upon him under section 14A."

Amendment of section 34 of Act II of 1886.

5. After clause (*c*) of sub-section (*1*) of section 34 of the said Act, the following shall be inserted, namely:—

" (*d*) to furnish within the specified period a return required of him under section 14A."

Amendment of section 35 of Act II of 1886.

6. In section 35 of the said Act, for the words and figures "mentioned in section 18, sub-section (*2*)" the words and figures "required under section 14A, sub-section (*2*)" shall be substituted.

Amendment of section 50A of Act II of 1886.

7. In section 50A of the said Act the letters and figures "18 (*1*) (*a*), (*b*), (*c*)" are hereby repealed.

The following Act of the Indian Legislative Council received the assent of the Governor General on the 7th March, 1917, and is hereby promulgated for general information:—

ACT No. VIII. OF 1917.

An Act to impose a tax on income in addition to that imposed by the Indian Income-tax Act, 1886.

WHEREAS it is expedient to impose a tax on income in addition to that imposed by the Indian Income-tax Act, 1886; It is hereby enacted as follows:— I of 1886.

Short title, extent and commencement.

1. (*1*) This Act may be called the Super-tax Act. 1917;

(*2*) It extends to the whole of British India, and applies also within the dominions of Princes and States in India in alliance with His Majesty to British subjects in those dominions

who are in the service of the Government of India, or of a local acthority established in the exercise of the powers conferred on the Governor General in Council in that behalf; and

(*3*) It shall come into force on the first day of April, 1917.

Definitions.

2. (*1*) In this Act, unless there is anything repugnant in the subject or context—

" prescribed " means prescribed by rules made under this Act;

" previous year " means the year ending on the 31st day of March in the year immediately preceding that in which the assessment is to be made, or, if the accounts of a person or company have been made up in the year immediately preceding that in which the assessment is to be made, then, at the option of such person or company, the year ending on the day on which his or its accounts have been so made up:

Provided that, if this option has once been exercised by a person or company, it shall not again be exercised so as to vary the meaning of the expression " previous year " as then applicable to such person or company, except with the consent of the Collector and upon such conditions as he may think fit.

II of 1886. " principal Act " means the Indian Income-tax Act, 1886;

" super-tax " means a tax imposed by this Act;

" taxable income " means so much of the total income of any person or company as is in excess of rupees fifty thousand;

" total income " means the income accruing in the previous year from all sources except—

(*a*) from the sources specified in section 5 (*1*) (*a*), (*b*), (*c*), (*e*), (*g*) and (*h*) of the principal Act; and

(*b*) in the case of a Hindu undivided family, so much of the joint income of such family as has been actually expended or paid for the maintenance or other expenses of any member of such family or paid or finally allotted to any such member;

(*c*) in the case of a firm, so much of the income of the firm as has been paid or finally allotted to any of the members of the firm; and

(*d*) in the case of a company, so much of the income of the company as has been paid or declared for payment by way of dividends or otherwise to any of its members:—

Provided that nothing in clause (*b*), (*c*) or (*d*) of this definition shall be deemed to exempt from super-tax any income therein referred to when received by any member of such family, firm or company.

(*2*) Words and expressions used in this Act and defined in the principal Act and not hereinbefore defined shall be deemed to have the meanings respectively attributed to them by that Act.

Incomes liable to super-tax and rate thereof.

3. In addition to the tax imposed by section 4 of the principal Act, there shall be charged and recovered and paid in the year beginning with the 1st day of April, 1917, and in each subsequent year to the credit of the Government of India, or as the Governor General in Council may direct, by every person subject to this Act and by every company, a super-tax upon the taxable income of such person or company computed at the rate specified in the Schedule.

Collector to determine persons chargeable.

4. The Collector shall, from time to time, determine what persons and companies are chargeable with the super-tax and the amount at which every person chargeable shall be assessed:

Provided that, in determining the amount at which a Hindu undivided family, firm, or company shall be assessed, the Collector shall allow a deduction from the taxable income of such family, firm or company, of one-tenth of the income from all sources liable to taxation under the principal Act, of such family, firm or company.

Power to call for returns.

5. (*1*) In the case of a person or company whose total income is in the Collector's opinion of an amount chargeable with super-tax, the Collector, instead of or in addition to the notice referred to in section 14A of the principal Act, may cause a notice to be served upon him or it requiring him or it to furnish, within such period as may be specified in the notice, a return in the prescribed form with a declaration annexed thereto to the same effect as that required to be annexed to a return under the said section, setting forth the total income in the previous year of such person or company, and such further particulars as may be provided for by such form.

(*2*) Every notice issued under sub-section (*1*), and every return and declaration required by such notice, shall be deemed respectively to be a notice issued and a return and declaration required under section 14A of the principal Act, and the provisions of sections 34, 35 and 36 of that Act shall apply accordingly.

(*3*) When a return is furnished in accordance with the terms of a notice under this section or under section 14A of the principal Act, the assessment to be made by the Collector shall be made after considering such return. If no such return is furnished, such assessment shall be made after such inquiries as the Collector thinks fit have been carried out.

Notice to persons chargeable with super-tax.

6. In the case of a person or company who, in the Collector's opinion, is chargeable with super-tax, the Collector shall cause a notice to be served on him or it stating the following particulars, namely:—

(*a*) his or its name and the source or sources of the income in respect of which he or it is chargeable;

(*b*) the year or portion of the year for which the tax is to be paid;

(*c*) the place or places, district or districts where the income accrues;

(*d*) the amount to be paid; and

(*e*) the places where and the person to whom the amount is to be paid;

and requiring him or it to pay within sixty days from the date specified in the notice the amount stated therein as payable by him or it, or to apply to the Collector within thirty days from that date to have the assessment reduced or cancelled:

Provided that, if in accordance with any rules made under this Act super-tax is payable in any case by instalments, the notice shall specify the date on which each instalment falls due, and shall require him or it to pay such instalment within the prescribed period from that date, or to apply as aforesaid to the Collector within thirty days of the date on which the first instalment falls due.

Time and place of payment.

7. Every amount specified as payable in a notice served under section 6 shall be paid within the time, at the place and to the person mentioned in the notice.

Application of provisions of Act II of 1886.

8. Subject to the provisions of this Act—

(*a*) the provisions of sections 20 to 24 of the principal Act shall apply in the case of super-tax as if that tax were income-tax chargeable under Part IV of the principal Act;

(*b*) the provisions of Chapter IV of the principal Act shall apply to the revision of assessment to super-tax as if that tax were income-tax chargeable under Part IV of the principal Act:

Provided that the time within which the petition referred to in section 25 (2) of the principal Act shall ordinarily be presented shall be the period specified in the notice served under section 6 of this Act, and that the form of the petition shall be modified in such manner as may be necessary to adapt it for the purposes of this Act; and

(*c*) the provisions of Chapter V of the principal Act and of sections 32, 37 and 39 to 50A of the principal Act shall, as far as may be, apply, in regard to the matters mentioned therein, in the case of the super-tax as if that tax were income-tax chargeable under the principal Act.

Rule-making power.

9. (*1*) The Governor General in Council may make rules consistent with this Act for ascertaining and determining the taxable income of any person or company, thereunder, for preventing disclosure of particulars contained in documents delivered or produced with respect to such assessments, for prescribing the procedure that is to be followed on applications for refund of super-tax, for providing for the payment of that tax by instalments, and generally for carrying out the purposes of this Act, and may delegate to a Local Government the power to make such rules so far as regards the territories subject to that Government.

(*2*) In making a rule for preventing the disclosure of any particulars referred to in sub-section (1), the Governor General in Council may direct that a public servant committing a breach of the rule shall be deemed to have committed an offence under section 166 of the Indian Penal Code: XLV of 1860.

Provided that a person committing any such offence shall not be liable to be prosecuted therefor without the previous sanction of the Local Government.

(*3*) Rules made under this section shall be published in the official Gazette.

SCHEDULE.

In respect—

(1) of the first fifty thousand rupees of taxable income—one anna in the rupee;

(2) of the next fifty thousand rupees of taxable income—one and a half annas in the rupee;

(3) of the next fifty thousand rupees of taxable income—two annas in the rupee;

(4) of the next fifty thousand rupees of taxable income—two and a half annas in the rupee;

(5) of all taxable income over two lakhs of rupees—three annas in the rupee.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915 (5 & 6 Geo. V, Ch. 61).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Thursday, the 1st March, 1917.

PRESENT :

His Excellency BARON CHELMSFORD, P.C., G.M.S.I., G.M.I.E., G.C.M.G., Viceroy and Governor General, *presiding*, and 62 Members, of whom 54 were Additional Members.

* * * * * * * *

THE INDIAN TARIFF (AMENDMENT) BILL.

The Hon'ble Sir William Meyer:—"My Lord, I beg to move for leave to introduce a Bill further to amend the Indian Tariff Act, 1894."

The motion was put and agreed to.

The Hon'ble Sir William Meyer:—My Lord, I beg to introduce the Bill. It is one to amend the Indian Tariff Act with reference to the announcements made just now in my speech introducing the Financial Statement, that is, it authorises the raising of the duty on imported cotton goods from 3½ to 7½ per cent., and it doubles the export duty on jute. In applying the new jute duty we shall, as stated in my speech on the Financial Statement, exempt the existing forward contracts (in so far as these do not contain a cautionary provision providing for future increase of duty) as well as all jute exported in pursuance of War Office contracts; but this will be done, as formerly, by executive orders. As I explained in my speech, it is necessary to impose those enhanced duties, with effect from the present date.

"We have taken advantage of this opportunity to make a small further amendment in respect of the duty on imported silver manufacturers. Last year, in order to remove the then anomalous position in which the Indian silversmiths and manufacturers of silver thread were placed through having to pay the special rate for silver on the raw material used by them, while the imported manufactured article only paid duty at the general rate, we raised the duty on imported silver manufactures to 15 per cent. *ad valorem* which was roughly equivalent to the duty of 4 annas an ounce imposed on imported silver in 1910. But we provided that where an importer could satisfy the customs authorities as to the actual silver contents of the articles he was importing, he should be entitled to pay duty at the special rate applicable thereto only on such silver content, the residual value of the import being taxed at our general tariff rate of 7½ per cent. This proviso has caused a certain amount of administrative difficulty, and it has been found that an all-round rate of 10 per cent. *ad valorem* would practically equalise the position of the importer and the Indian manufacturer of silver articles. We accordingly propose to make this the rate of duty applicable to silver manufactures, and to abolish the present proviso under Item No. 50, Part II, Schedule II of the Tariff Act.

"The Bill is consequently of a simple character, involving no new additions to the field of taxation, but merely alterations in rates of taxation already imposed. I do not think it necessary, therefore, to refer it to a Select Committee, but I ask permission to have it published, with the Statement of Objects and Reasons, in the Gazette of India, and I propose, with Your

Excellency's permission, to get it passed into law on the 7th instant. I beg to move that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in the Gazette of India in English."

The motion was put and agreed to.

THE INDIAN INCOME-TAX (AMENDMENT) BILL.

The Hon'ble Sir William Meyer:—" My Lord, I move for leave to introduce a Bill further to amend the Indian Income-tax Act, 1886. Perhaps it would be convenient if I just explained the purport of the Bill, as it will save our time afterwards; but I am in Your Lordship's hands as to that."

His Excellency the President:—" Do you not think it would be more convenient if you explained the reasons for the Bill this afternoon, when the discussion would follow immediately afterwards?"

The Hon'ble Sir William Meyer:—" Certainly, My Lord. I expressly wished to leave the point to your Excellency. I therefore simply move for leave to introduce a Bill further to amend the Indian Income-tax Act, 1886."

The motion was put and agreed to.

His Excellency the President:—" The Hon'ble Sir William Meyer will move for reference to Select Committee this afternoon."

The Hon'ble Sir William Meyer:—" All that remains for me just at present is to move for leave to introduce a Bill to impose a tax on income, in addition to that imposed by the Indian Income-tax Act, 1886, or, to put it in plainer words, the Super-tax referred to in my speech introducing the Financial Statement."

The motion was put and agreed to.

The Council then adjourned till 3 P.M.

After Lunch the Hon'ble the Vice-President took the Chair.

The Hon'ble Sir William Meyer:—" Sir, I beg to introduce the Bill further to amend the Indian Income-tax Act, 1886. As I explained in introducing the Financial Statement the object of the Bill I have obtained leave to introduce is to enable assessing officers to require any person who is *primâ facie* liable to income-tax to declare his income from all sources under penalty for failure to do so, or for making a false declaration. Under the Act, as it stands at present, Income-tax Collectors have only powers in certain circumstances to invite assessees to make a return of their incomes, and as the invitation is not backed by any penalty in case it is not complied with, it will be readily understood that it is often ineffectual. The inadequacy of these powers for ascertaining the incomes of persons who are being assessed to the tax has indeed long been recognised as a flaw in the existing Act : it has helped dishonest tax-payers to evade contributing their proper quota to the public revenues. The question of improving our machinery for assessment in this respect was already marked down for consideration when any general amendment of the Income-tax Act should be undertaken. But the introduction of a graduated scale of taxation last year, and still more the imposition of the super-tax now proposed, have rendered it urgently necessary to take up this reform at once, without waiting for that general amendment of the existing Act which, as I have already informed the Council, I have in mind. In particular, it is essential for super-tax purposes to obtain accurate returns of the incomes of probable assessees, and assessing officers will be at a loss to decide what persons are *primâ facie* liable to assessment to the super-tax, unless they are able to use as a guide returns of income submitted by such persons for income-tax purposes.

" The method by which the Bill gives effect to this proposal is simple. We are repealing that part of the present Act which empowers assessing officers simply to invite a declaration of income from probable assessees, and are enabling them by a new clause to call upon any person who, in their opinion, has an income of over Rs. 1,000 per annum to furnish a return of his income in a prescribed form. This method involves the minimum interference with the present procedure for administering the Act. All that the Bill does is to authorise a Collector to demand a return of income from any person, should he think it desirable to do so; he is not bound to ask for a return in every case, and it will remain open to Local Governments to issue general executive instructions to their assessing officers as to the manner in which they are to exercise the discretion now to be given to them.

" Failure to furnish a return which has been demanded is dealt with by the Bill in the same way as other defaults under the existing Act. That is to say, it may be punished on conviction before a Magistrate by a fine which may amount to Rs. 10 for each day during which the default continues. The Bill also provides that, unless an assessee has duly complied with any demand made on him to submit a return of income, he shall not be permitted to petition against his assessment. It will, I think, be generally recognised that it would be unreasonable to create a statutory right of objection to his assessment by a person who is still defying a statutory order to declare his income.

" Incidentally Collectors are empowered by the Bill to decide for themselves whether any person should be included in the general list of assessees which is published under section 16 of the Act, or should be served with a separate notice under section 17; hitherto they could do this only when duly authorised by the Local Government. This alteration is a natural corollary of the powers given to Collectors by the Bill to determine from what persons they should call for a return.

" I now beg to move that you will suspend the Rules of Business to permit of the Bill being referred to Select Committee."

The Hon'ble the Vice-President:—" I suspend the Rules of Business."

The Hon'ble Sir William Meyer:—" I move, Sir, that this Bill be referred to a Select Committee consisting of yourself (the Hon'ble Mr. G. R. Lowndes), the Hon'ble Pandit Madan Mohan Malaviya, the Hon'ble Sir Fazulbhoy Currimbhoy, the Hon'ble Rai Sitanath Ray Bahadur, the Hon'ble Mr. J. B. Brunyate, the Hon'ble Mr. J. S. Wardlaw Milne, the Hon'ble Lieutenant-Colonel S. L. Aplin, the Hon'ble Mr. E. H. Bray, the Hon'ble Mr. Walsh, the Hon'ble Mr. L. Davidson and myself."

The Hon'ble Rao Bahadur B. N. Sarma:—" Sir, I feel that it is my bounden duty to bring to the notice of the Council my views with regard to the taxation proposals. I am not discussing the Budget proposals involved in this legislation. But before I proceed, Sir, I have a difficulty which I shall presently place before the Council as to whether it is competent to the Government of India to undertake this legislation without an amendment of the Government of India Act of 1915. . . ."

The Hon'ble Khan Badahur Mian Muhammad Shafi:—" Sir, I rise to a point of order. The question raised by my Hon'ble colleague, so far as it has any bearing at all on the Bill which is now before Council, it seems to me, does not arise. The Bill which has just been introduced by the Hon'ble Sir William Meyer is a Bill which merely seeks to introduce certain modifications in reference to the issue of notice to certain persons who are to make certain returns in connection with income-tax assessment and for this purpose alone. It is not the Bill in which any super-tax is levied or any tax contemplated this year is levied at all."

The Hon'ble the Vice-President:—"The Hon'ble Member is not entitled to make a speech on a point of order. I quite understand the point which he wishes to raise. But the Hon'ble Mr. Sarma is only arguing that this Bill is *ultra vires* the Government of India. I propose to hear him on this subject, and he will no doubt confine himself to the point whether this Bill is *ultra vires*."

The Hon'ble Rao Bahadur B. N. Sarma:—"Section 20 of the Government of India Act, 1915, states:—

'(1) The revenues of India shall be received for and in the name of His Majesty, and shall, subject to the provisions of this Act, be applied for the purposes of the Government of India alone.

(2) There shall be charged on the revenues of India alone—

(*a*) all the debts of the East India Company; and

(*b*) all sums of money, costs, charges and expenses which, if the Government of India Act, 1858, had not been passed, would have been payable by the East India Company out of the revenues of India in respect of any treaties, covenants, contracts, grants or liabilities existing at the commencement of that Act; and

(*c*) all expenses, debts and liabilities lawfully contracted and incurred on account of the Government of India; and

(*d*) all payments under this Act.'

And then, with reference to this section 20, we have to read section 22 also, which runs as follows:—

'Except for preventing or repelling actual invasion of His Majesty's Indian possessions, or under other sudden and urgent necessity, the revenues of India shall not, without the consent of both Houses of Parliament, be applicable to defraying the expenses of any military operations carried on beyond the external frontiers of those possessions by His Majesty's forces charged upon those revenues.'

I take it, Sir, that this is a safeguard provided by the legislature against either the Government of India or His Majesty's Government raising any revenues except for the purpose of. . . ."

The Hon'ble the Vice-President:—"I must point out to the Hon'ble Member that the Bill before the Council is merely a Bill to amend the Income-Tax Act, to enable a return to be required from persons subject to that Act. The Bill has nothing whatever to do with the application of revenues of the Government of India."

The Hon'ble Rao Bahadur B. N. Sarma:—"If the object with which the money is raised cannot be considered in connection with the question as to whether the money can be legally raised, then, Sir, I am certainly out of court. But if the object for which the money is to be raised can be, then this measure is *ultra vires*, or outside the legal ability of the Government of India to legislate. If you, Sir, think that the object being one it is not competent to the Government of India to raise, cannot be raised I have nothing more to say on that question."

The Hon'ble the Vice-President:—"I must certainly hold that the application of the money to be raised is not material to the Bill before the Council. We have had an Income-Tax Act from 1886; and the only question at present is, whether we should add certain sections to it making it compulsory on all persons subject to the Act to make a return."

The Hon'ble Rao Bahadur B. N. Sarma:—"Then, Sir, the question is as to whether there is any need for this Act at the present juncture. If the object of the Act be, Sir, simply to provide facilities for revenue officers to obtain more accurate returns in respect of incomes on which assessment is to be levied, there is nothing to be said. But if the principle underlying this—and I take it that that was the object with which this Bill is introduced at the present time—be to enable the Government to raise more revenue for one purpose or another, then, I think, Sir, there is no need shown for larger revenue, and on that account I shall have to oppose it. If that is not the object, then I have nothing more to say."

The Hon'ble Sir William Meyer:—"I have already explained, Sir, and I think it has been understood by all the Members of this Council, except the Hon'ble Member from Madras who has just spoken, that this Bill is a Bill to improve our machinery. Incidentally, as I have said, such improved procedure is necessary for super-tax purposes, but as far as this Bill alone is concerned, it merely improves the machinery of the Income-Tax Act. The Hon'ble Member is apparently stricken by the fear that we shall thereby get more revenue. As I explained in my speech just now, we may hope to get some more revenue through this Bill, because the provisions of the existing Act often enable dishonest tax-payers to evade payment of their proper quota, but that is the only way in which the Bill will increase our receipts. It thus appears to be a matter of great regret to the Hon'ble Member that dishonest tax-payers should be made to pay their proper quota. I am glad to think that no other Member shares in this sympathy. I repeat, Sir, that this Bill is simply a question of improved machinery."

The Hon'ble Rao Bahadur B. N. Sarma:—"Sir, as a matter of explanation, may I say that I never stated that I sympathised with such people. On the other hand, I rose to speak because I thought that the object was a different one."

The motion was put and agreed to.

THE SUPER-TAX BILL.

The Hon'ble Sir William Meyer:—"Sir, I beg to introduce a Bill to impose a tax on income in addition to that imposed by the Indian Income-tax Act, 1886, which I have already been given leave to introduce. The purpose of this Bill is to impose a tax on income, in addition to that imposed by the Indian Income-tax Act, 1886, that is to say, what we may conveniently describe as a 'super-tax.' In my speech this morning introducing the Financial Statement I have already explained why this additional taxation is necessary, and why we propose to raise it by means of a graduated super-tax on incomes in excess of Rs. 50,000. As I then said, the tax now proposed will only be assessable on incomes in excess of Rs. 50,000, and will then be levied at the following rates:—

For every rupee of the first Rs. 50,000 of the excess, *i.e.*, between Rs. 50,000 and 1 lakh.	1 anna per rupee.
For every rupee of the next Rs. 50,000 of the excess, *i.e.*, between Rs. 1 and 1½ lakhs.	1½ annas per rupee.
For every rupee of the next Rs. 50,000 of the excess, *i.e.*, between Rs. 1½ and 2 lakhs.	2 ,, ,,
For every rupee of the next Rs. 50,000 of the excess, *i.e.*, between Rs. 2 and 2½ lakhs.	2½ ,, ,,
For every rupee of the remainder of the excess, *i.e.*, on everything over Rs. 2½ lakhs.	3 ,, ,,

"I need only make some further remarks as to the manner in which the Bill provides for the actual assessment of the tax.

"In the first place, we propose to take as a general basis for the tax the total income received by or accruing to an individual tax-payer in a single year. In calculating that income, he will have to take into account, besides any salary he may have earned or the profits of his business, his receipts from dividends on interest on securities, and the super-tax will therefore not be deducted at the source from such dividends or interest. This will avoid inconveniencing the large number of shareholders in companies, or holders of Government paper, whose incomes are not sufficient to render them liable to super-tax, and who would, if deductions at the source were resorted to, be put to the trouble of applying for refunds. But if we confined ourselves to taxing the incomes received by individuals considerable portions of the profits obtained by companies would automatically escape from our net. I refer to such portions of the profits as are placed to a reserve or otherwise withheld from distribution to the shareholders. These sums

should obviously be liable to the taxation now proposed as they are to ordinary income-tax. The Bill therefore provided for the assessment to super-tax of so much of the income of any company as has not been paid or declared for payment by way of dividends to shareholders. The word 'income' is used advisedly in this connection so as to make it perfectly clear that any sums received by a company by way of interest on investments are not exempt from the tax. Similar provisions in the Bill provide for the levy of the super-tax on any portion of the income of firms, or Hindu undivided families, which is not paid out to a member of the firm or family.

"We are allowing assessees, in computing their total income, to omit from their receipts any profits from agriculture or income from property solely employed for religious and charitable uses, and also such portion not exceeding one-sixth of their total income as they may have utilised in the period on which the assessment is based for life assurance payments, or for the purchase of deferred annuities for the benefit of themselves and their families. Interest on stock notes which was declared free of all taxation when the notes were issued can also be deducted from total income. In these respects the exemptions from income-tax allowed by the Income-tax Act have been followed.

"We have adopted as the period on the income of which the assessment to super-tax will be based the provisions in the Indian Income-tax Act relating to assessments under Part IV of the second Schedule. If the assessee has made up his accounts within the year prior to that for which the assessment is made his income for the year ending on the day on which his accounts were made up will form the basis of the assessment: otherwise the assessee's income in the previous financial year ending on the 31st March will be taken. This period will apply to income of all descriptions whether from salaries, dividends, interest on securities or business profits.

"Clause 5 of the Bill gives Collectors powers to call for returns of income from any person who in their opinion is liable to pay super-tax, and also provides for assessments being made in cases of refusal to furnish the return. The remaining clauses of the Bill call for little comment. Their general effect is to apply to the assessment and collection of the super-tax the procedure already in force for assessing and collecting income-tax, and I need only remark that we have thought it unnecessary to permit composition for super-tax over a period of years, and that for the convenience of assessees, we are taking a rule-making power which will enable us to permit payment of the super-tax to be made in suitable instalments.

"I now move, Sir, that the Rules of Business be suspended to admit of the Bill being referred to a Select Committee."

The Hon'ble the Vice-President:—"I suspend the Rules of Business."

The Hon'ble Sir William Meyer:—"Sir, I beg to move that the Bill be referred to a Select Committee consisting of yourself (the Hon'ble Mr. G. R. Lowndes), the Hon'ble Pandit Madan Mohan Malaviya, the Hon'ble Sir Fazulbhoy Currimbhoy, the Hon'ble Rai Sitanath Ray Bahadur, the Hon'ble Mr. J. B. Brunyate, the Hon'ble Mr. J. S. Wardlaw Milne, the Hon'ble Lieutenant-Colonel S. L. Aplin, the Hon'ble Mr. E. H. Bray, the Hon'ble Mr. E. H. C. Walsh, the Hon'ble Mr. L. Davidson and myself."

The Hon'ble Rao Bahadur B. N. Sarma:—"I must apologise to the Council for speaking on a former occasion in respect of this point of order by a mistake which I fell into that the provisions of the two Bills were covered by one and the same Bill. I am not going to argue the point as to whether the revenue that is being raised is rightly leviable under the circumstances and in view of the conditions of India at the present time; what I submit is that inasmuch as the revenue is not to be utilised for the purposes of the Government of India, as there is no deficit, and apart from the purpose for which this money is said to be raised, section 20 is a bar in the way of Government."

The Hon'ble the Vice-President:—" The Hon'ble Member is out of order. The question before the Council is purely whether certain taxation is to be imposed. The Council is not concerned with what will become of the revenues after they are raised. There is no reason to suppose that Government will devote them to any unlawful purpose. On the motion to refer the Bill to a Select Committee, it is not open to the Hon'ble Member to discuss the point raised."

The Hon'ble Rao Bahadur B. N. Sarma:—" Sir, I bow to your ruling, and will state the point when the Financial Statement is discussed on the 7th. I may state at present that absolutely no necessity has been made out for imposing fresh taxation in the manner proposed at present, and I am, therefore, opposed to the Bill."

The Hon'ble Mr. Bhupendra Nath Basu:—" In connection with this Bill, I understand there is considerable difficulty in the administration of the Act in regard to the levying of income-tax in respect of Government securities. I know personally that the rule works very harshly, and many persons, poor people, have to spend much more than the benefits they receive. As the Bill is to be considered in its important aspects, would it not be possible to include consideration of the question in the Act in regard to the procedure for revenue. If a person has got a promissory note for Rs. 500, he is charged with an amount which would be payable if his income was Rs. 25,000, whereas it may only be Rs. 10. He has to go to the Collector and then to a legal practitioner, and then he gets his order for a year; so that the benefit he is likely to get is more than counter-balanced by the expenditure and trouble he is put to."

The Hon'ble Mr. Brunyate:—" We are now dealing with the Super-tax Bill and not with the Income-tax Bill."

The Hon'ble the Vice-President:—" Mr. Brunyate is quite correct. Much as we may sympathize with the difficulties mentioned, I am afraid they do not come under the Super-tax Bill. I think the Hon'ble Member will see that."

The Hon'ble Mr. Bhupendra Nath Basu:—" Yes, I see it."

The motion was put and agreed to.

The Council then adjourned to Wednesday, the 7th March, 1917.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915 (5 & 6 Geo. V. Ch. 61).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Wednesday, the 7th March, 1917.

PRESENT :

His Excellency BARON CHELMSFORD, P.C., G.M.S.I., G.M.I.E., G.C.M.G., Viceroy and Governor General, *presiding*, and 54 Members, of whom 46 were Additional Members.

* * * * * * * *

THE INDIAN TARIFF (AMENDMENT) BILL.

The Hon'ble Sir William Meyer:—" My Lord, I beg to move that the Bill further to amend the Indian Tariff Act, 1894, be taken into consideration.

" I have explained the objects and scope of this Bill in my speech introducing the Financial Statement and in my further speech introducing the Bill itself, and I need not add anything more now, especially as, although the Bill has been published for the information of the public, we have received no objections thereto.

I beg leave to move that the Bill be taken into consideration.

The Hon'ble Mr. M. B. Dadabhoy:—"My Lord, the Council will have another opportunity of congratulating the Finance Minister on the general features of his Budget, but I feel quite certain that there ought to be no opposition to the principle embodied in this Bill. The scheme of taxation now devised is in entire consonance with the repeated suggestions of the people and the non-official Members of this Council. This Council is fully aware that the public opinion in this country has all along insisted on the Government imposing a reasonable tariff, not only for the purpose of meeting revenue deficits, but also for the protection it unquestionably affords to our indigenous industries. I shall take the liberty of drawing the attention of this Council to the statement which I made last year when the Tariff Bill came up for consideration. I then said that ' the Indian public will only look forward with hope to the maintenance of the increased scale of import duties for a sufficiently long time. Should the Hon'ble Sir William Meyer's estimate of our future liabilities prove correct, all the additional revenue required may be easily had by judicious handling of the tariff. We should be ready to support Government if after a few years the duties now imposed have to be further enhanced.' Unfortunately, My Lord, this necessity has come much sooner than I then anticipated.

" My Lord, the Bill before us will therefore command general approval, though the necessity for fresh taxation is undoubtedly regrettable. The principle of taxation devised in this Bill is a distinct indication of the sign that the Government is more and more in touch with the popular opinion, and that it has come to the conclusion that its future policy in the matter of taxation shall be, as far as practicable, in the direction of a well-considered system of protective tariffs. It is needless to remind the Council that a revision of the tariff has all

along been demanded by public opinion whether or not such revision is absolutely necessary in the exigencies of our public finance. It must be conceded that, when new and additional taxation has been unavoidably forced upon the country by the exigencies of this great war, both considerations of policy and expediency justify the enhancement of tariffs, instead of a levy of other imposts which would fall oppressively on the masses. The most agreeable feature of this Bill is, that the tariffs have been so skilfully revised and readjusted as to secure the largest portion of the revenue from classes who have been materially benefited by the war, and who are able to bear the additional strain and burden without serious inconvenience, and who owe their business prosperity materially to the security afforded by the British Navy for free and uninterrupted international commerce even in these anxious and troublesome times.

" Last year several of my Hon'ble colleagues vigorously pointed out in this Council that the Government had not raised the duty on imported cotton goods, and that omission was viewed with keen disappointment by the country, but it is a matter of great satisfaction that the Finance Minister, in conformity with his sympathetic assurances then given, has now succeeded in inducing His Majesty's Government to raise the import duty on cotton goods from $3\frac{1}{2}$ per cent., which is our present general tariff rate, to $7\frac{1}{2}$ per cent. I am confident that this action of His Majesty's Government will meet with the greatest appreciation in India. There is not the slightest apprehension that by this additional duty the Lancashire industry will be handicapped or affected in any manner, but one thing is absolutely certain, that this country will be protected against the unfair competition of cheap foreign piece-goods. It will undoubtedly further enhance the prestige of His Majesty's Government in having at last redressed a real and portentous grievance. The decision of Government to double the rates of export duties on raw jute and jute manufactures is equally satisfactory and gratifying. Hon'ble Members who were in this Council last year will remember that I had brought forward a Resolution in the nature of an amendment to the Tariff Bill then introduced that the export duties proposed to be imposed on raw jute and manufactures be doubled, but I was not fortunate enough to receive any encouragement or support from the Finance Minister, and I was therefore compelled to withdraw my amendment. I am glad that the Hon'ble the Finance Minister has now come to my way of thinking and has seen the advisability of doubling the duty on these articles. I feel certain that this enhanced duty will not be severely felt by the people dealing in jute who have already made enormous profits, and who have fortunately escaped from a more unpleasant form of impost—I mean excess profits tax.

" Not unlike the outgoing year the new taxation will be realised from trade to a considerable extent. The Finance Minister's statement regarding the new sources of revenue has been already very favourably received by the various trade unions and associations, and by the influential commercial communities of Calcutta and Bombay. But I feel constrained to point out that, though the scheme of taxation is, on the whole, eminently satisfactory, still such an expert financier as Sir William Meyer has left room for some slight disappointment. I am sorry he is not yet converted to the widely held view that an export duty on cotton would be both suitable and justifiable, while it would not affect the cultivator. He had an excellent opportunity this year of trying at least tentatively that form of impost. In any case, I feel certain that the introduction of that tax would have made his Budget infinitely more popular, secured the extra revenue he requires, and obviated the necessity of a super-tax, which is not quite suitable to Indian conditions. . ."

His Excellency the President:—" I would draw the Hon'ble Member's attention to the fact that that point is not before the Council."

The Hon'ble Mr. M. B. Dadabhoy:—" But, My Lord, having regard to the existing political and financial situation, this would be an inopportune time to protest against any particular taxation. The Government must be supported and allowed the greatest latitude and the widest discretion.

Though we one and all deeply deplore an additional taxation this year, the uncertainties of the financial and military situation and our prospective obligations have solely necessitated the same. It is true that it may seem even paradoxical, that in a year of huge surplus this Government should levy fresh taxation, but, as the Finance Minister wisely pointed out ' The necessity for ample resources in the present year and during the twelve months to come will, however, be still more evident to those who study our Ways and Means position with attention, and thus realize that it is not necessarily on the revenue side that our chief difficulties lie.' In view of all this, however unwilling I may be otherwise to support any scheme of additions to our existing taxes, I feel it my duty to accord my support to this measure."

The Hon'ble Rai Bahadur Bishan Dutt Shukul:—" My Lord, as has been so rightly pointed out by my colleague, the Hon'ble Mr. Dadabhoy, the present Tariff Amendment Bill has been most welcome to the whole country as a wholesome departure in the fiscal policy of the Government. The popular view has at last gained ground and received the support of both the Finance Member as well as the Government of India. The raising of the import duty on cotton goods from $3\frac{1}{2}$ to $7\frac{1}{2}$ per cent. has removed a long-standing grievance. It will save the country from the pernicious effect of unfair competition. It is now the earnest desire of the Indian public that, as soon as the circumstances will permit, the countervailing excise duty on cotton should be abolished.

" This duty, My Lord, has already proved to be a clog to industry, and as such the sooner it is done away with the better it would be. The assurances given by the Hon'ble the Finance Member led me to hope that the matter has been engaging the careful attention of the Government of India, and that ere long the duty will be abolished.

" At the present stage any taxation levied with a view to get surplus revenue to meet the exorbitant expenditure of war should receive unanimous support of us all. Whatever sources of revenue could be tapped without causing unnecessary hardship, and without disturbing the general conditions of trade and commerce of our country, the Government would be justly entitled to them, and it should be our bounden duty to lend our unanimous support thereto.

" I would have taken this opportunity of pressing on the attention of the Government the desirability of the exclusion of machinery imported for agricultural and industrial development from the Tariff Schedule in the interest of our poor agriculturists, but I have refrained from doing so, as such exclusion, at the present moment, would cause certain inconvenience to the Government. However, I may hope and trust that when, after the termination of this war, the question of the revision of the wholesale Tariff Act would be taken up, this matter will not be overlooked.

" With these few words, My Lord, I beg to support the motion now before us."

The Hon'ble Rao Bahadur B. N. Sarma:—" My Lord, I may be permitted to congratulate Your Excellency's Government, and the Hon'ble the Finance Member in particular, for manfully fighting the battle of India, and securing a measure of justice from His Majesty's Government. We know that the battle has been fought strenuously and for many a long year in the secret Councils of the Empire—possibly without our knowing it then; but at last the advice of the Government of India has borne fruit. I should have congratulated His Majesty's Government if this announcement had been made last year. I only thank them this year. I cannot help saying that if this announcement had been made last year under different circumstances, the impression which would have been created on the public mind would have been immense. I treat this additional taxation, My Lord, as a financial reserve in this momentous crisis through which we are passing, and in that view, I cordially support the motion."

The Hon'ble Raja Sir Rampal Singh:—" My Lord, I beg to rise to extend my whole-hearted support to the Tariff Amendment Bill that is before the Council. It is needless for me to say that the Bill provides

in unmistakable manner the oft-repeated wishes of the people of this country with regard to tariff, and I cannot but congratulate the Government of India on the happy measure that they are going to pass in order to augment the revenues of India, with a view to meet the extra charges which the proposed war contribution would entail on them. It is a matter of great satisfaction that the Government have since some time seen their way to introduce a reform in the tariff whereby some protection will be afforded to indigenous industries, and I am sure the Bill, when passed into law, will be hailed with joy in this country. My Lord, there is nothing like unmixed good in this world, and it is possible here and there a dissentient voice might be raised that the burden of import duties on cotton piece-goods would fall on our poor people, and that export duty on jute might have a detrimental effect on the agricultural industry of that commodity. I lay no claim to be an expert on such matters, but I must say that I do not share these misgivings with any feeling of uneasiness. As a layman I strongly believe that India needs protection for her industries, and it ought to be a matter of great consolation to all of us that the Government of India have not only accepted that principle, but are gradually introducing it into practice. As for the export duties on jute, the assurances of the Finance Member are more than enough that they will fall on the customers outside the country without in any way affecting its agricultural industry: I wish the countervailing excise duties on cotton piece-goods could have been abolished, because the country has been clamouring for their abolition since a long, long time, and they are not defensible on grounds of equity and justice. However, the feelings of sympathy given expression to by the Finance Member last year in that direction go a far way to inspire hope in us that when, after the war, the trade relations between India and foreign countries will be re-adjusted, our wishes, as well as our needs and requirements, will be fully considered in the light of our best interests. With these few words, My Lord, I accord my cordial support to the Bill."

The motion was put and agreed to.

The Hon'ble Sir William Meyer:—"I now move, My Lord, that the Bill be passed, and I will only add that it is a source of great gratification to the Government to find that the taxes imposed by the Bill have been so warmly received."

The motion was put and agreed to.

THE INDIAN INCOME-TAX (AMENDMENT) BILL.

The Hon'ble Sir William Meyer:—"My Lord, I beg to present the Report of the Select Committee on the Bill further to amend the Indian Income-tax Act, 1886, and also to move Your Excellency to suspend the Rules of Business to admit of the Report of the Select Committee being taken into consideration."

His Excellency the President:—"I suspend the Rules of Business."

The Hon'ble Sir William Meyer:—"My Lord, I explained the scope of this Bill on the 1st instant as being a measure for the improvement of our machinery, any radical amendment of the Income-tax Act being left over, as I said in my speech introducing the Financial Statement, to a time of greater leisure. I need only draw attention now to the amendment of clause 4 of the Bill in Select Committee. As I said in my introducing speech, we consider it improper to allow a statutory right of objection to assessment by a person who is still defying a statutory order to declare his income, or as it was put very succinctly in legal language by my Hon'ble friend Mr. Lowndes in the Select Committee, a Court ought not to admit to hearing a

person who remains in contempt. Such contempt might, however, be really accidental, due to circumstances which admitted of satisfactory explanation. We have, therefore, altered the clause so as to confine the disqualification to wilful non-compliance with the requirements of any notice served under section 14A of the Income-tax Act.

"I now move that the Report of the Select Committee be taken into consideration."

The motion was put and agreed to.

The Hon'ble Rao Bahadur B. N. Sarma:—"My Lord, I move as an amendment that at the end of clause 4 the following be added :—

'or in case of non-compliance shows sufficient cause to be excused by the Collector, or pays a penalty of Rs. 10.'

Hon'ble Members will see that the object of my amendment is to secure to the assessee a right to apply to the Collector, the assessing authority, for revision of the assessment made by him. The Hon'ble the Finance Minister stated that ordinarily if a person refuses to submit a statement in accordance with the law, he has no grievance, if the Collector, acting upon such information as he may possess, invokes the aid of the machinery provided by the Act, inasmuch as the person would be guilty of contempt in the first instance. But on later consideration it was resolved that where a person could show that he did not wilfully disobey the mandate or request of the Collector to submit a return, he should be given the right of appealing for revision of assessment. We thankfully accept the amendment that has been suggested by the Select Committee. But my submission is that this amendment does not go far enough, and is likely in practice to prove ineffectual—I may even go so far as to say, to deny justice in a large number of cases. I would not attribute the slightest motive to assessing officers, but I say the Collector might unconsciously, in arriving at a decision, be prejudiced by the fact that the person who comes before him has been guilty of disobeying his injunctions in the first instance, and it would leave in the public mind an impression that justice has been denied by the revenue authority, who happens also to be interested or is supposed to be interested in the result, that justice has been denied to the subject on the pretext that the subject has been guilty of knowingly and wilfully failing to comply with the request. Hon'ble Members will see that power has been taken already in this Bill to punish such contempt by putting the man before a Magistrate and getting him convicted with a fine of Rs. 10 for every day of default. I should think that that punishment to which the subject would render himself liable would be a sufficient deterrent, or ought to be a sufficient deterrent, and there ought not to be the slightest difficulty in the way of the Collector getting such wilful and knowing failures punished. My Lord, I submit that the border line is very difficult to be drawn, and that justice would be met by asking the man who fails to make a return to pay a penalty of Rs. 10 or some sum that may be fixed by this Council, and allow him to prosecute his petition instead of asking him to show positively that the default was not wilful. I put the sum at Rs. 10 because the lowest assessment is Rs. 20, and I thought that 50 per cent. of the assessment would not be unduly low. It may be that if we take the super tax into consideration, the sum of Rs. 10 may appear to be practically insignificant : that is the difficulty of dealing with a subject like this in which the Super-tax Bill and the Income-tax Bill are practically incorporated together. But apart from that, my submission is that some sum may be fixed by the Council (I think Rs. 10 is reasonable having regard to the penalties which a man would subject himself to) by way of penalty, and that an impression might not be allowed to be created that the executive are taking to themselves very wide powers unduly with a view to raise revenue. My Lord, I remember thirty years ago, shortly after the Income-tax Act was passed, how in almost every conference and every meeting the subject of Income-tax assessment and administration was the theme of discussion and complaint and of resolution. There was hardly a meeting in which this subject was not dealt with, but luckily, owing to the raising of the minimum amount, there has not been latterly the same outcry. I hope the

legislature will not allow by the granting of such wide powers to the executive the creation of another political trouble, because I feel that, unless the rules are relaxed and the assessee is allowed to have his say, an impression would be created that justice is denied for the sake of revenue. I, therefore, respectfully submit that my amendment may be accepted."

The Hon'ble Pandit Madan Mohan Malaviya:—" My Lord, I suggested the omission of this section 4 in the Select Committee, and I think I should briefly state my reasons for doing so. This, My Lord, is a new measure which is being introduced at present to simplify the procedure under the Income-tax Act in certain matters only. I understand it is in contemplation to revise the Income-tax Act at an early date, and I suggest that at this time the section might be left as it is in the existing Act. Under the Income-tax Act matters relating to the assessment of income are dealt with by the Revenue Officers of Government. They do not go before a regular Court of Justice, and I think that for this reason alone such opportunities as are given to the public under the existing Act to have an assessment duly considered by the Collector should not be restricted. It is true that the words 'unless he has knowingly and wilfully failed to comply with the requirements of the notice' do not entirely take away that opportunity, but I fear that the new provision will give rise to false statements being put before a Magistrate, pleas of illness, and what not, in order to satisfy him that the man had not knowingly and wilfully failed to comply with the requirements of the notice, and it will be very hard for a Magistrate to be satisfied in many cases that the applicant had not knowingly and wilfully failed to comply with the notice. The advantage to be gained on one side is very slight, and on the contrary, the inconvenience to the person concerned in having the assessment made on him considered by a Magistrate will be serious. Perhaps he will have to engage a lawyer; perhaps he will have to set up some persons as witnesses to establish that he was not to blame, etc. The balance of the advantage that is likely to be gained by the addition of the new provision will be small compared to the inconvenience and possible injustice which may result from it. For these reasons I support the suggestion that section 4 should be omitted for the present, and that when we are revising the Act as a whole, this might be considered....."

The Hon'ble Mr. G. R. Lowndes:—" My Lord, I rise to a point of order. There is a specific amendment moved by the Hon'ble Mr. Sarma, and I understood that the Hon'ble Pandit was speaking to it, but now he is practically moving another amendment, to the effect that the whole clause be omitted."

The Hon'ble Pandit Madan Mohan Malaviya:—" I am sorry, My Lord, I did not note Mr. Sarma's amendment."

The Hon'ble Mr. Bhupendra Nath Basu:—" My Lord, it does seem to me, and I think it must seem to others also who may be affected by the provisions of this Bill, that the Government is providing a two-fold penalty. In the first place, My Lord, there is section 34 of the existing Act by which certain offences are made punishable. We are including in that list the offence of not submitting a return in time. Consequently under section 34 a person who fails to make a return will be called upon to incur the penalty thereby provided and that, it has been pointed out, may extend to Rs. 10 for every day in which the default continues. Then comes a second stage. Not having made the return, the Collector makes his assessment and we have, under the law as it now stands, the right to put in a petition of objection to the Collector's assessment. This petition, as it must be known to the Hon'ble the Finance Member, is first of all disposed of by the Collector, and then, if the party is dissatisfied, he may go up to the Commissioner and, further, to the Board of Revenue. What now is proposed to be done is this, that the person assessed will be deprived of his right of objection, unless he has put in a return at the first stage, or unless he has knowingly and wilfully failed to comply with the requirements of any notice served upon him under section 14A. Well, My

Lord, in the first case, where I fail to submit my return, I am brought up before a Magistrate. I have got there a Judical Officer deciding the question as to whether I should or should not be fined in the circumstances of the case. That is an understandable position. There the Revenue Officer takes proceedings against the assessee and the Judical Officer decides the case, and the whole case is decided between themselves. But here the protection of a Judical Officer is done away with, and here all that the party had got to do is either to have his petition of objection rejected, or to satisfy the Collector, who is the Revenue Officer, that he had not knowingly and wilfully failed to comply with the requirements. I say nothing against the Collector, My Lord, but is it fair to the Collector who has got to make his collections of revenue and who is often-times overburdened with a heavy amount of work, specially in presidency-towns, is it fair to ask him to decide between the assessee and his own department as to whether the assessee has knowingly and wilfully made the default? My Lord, if I may without impertinence appeal to the experience of Your Lordship and also of the Hon'ble the Law Member, the question of wilful default and neglect is one of the most thorny questions in law, and you throw the whole burden of this upon the Collector who has to decide the matter as between himself and he assessee. He may decide rightly and he may say to assessee that he has wilfully and knowingly failed. But would that decision satisfy the assessee? Is it not one of the elementary principles in the administration of law that not only should the law be justly administered, but the person who is affected should also feel that it is justly administered? Would I feel that I have got justice before a Collector? Would I be satisfied that the Collector has decided fairly in my case if I were the assessee that I had knowingly and wilfully failed? I think, therefore, My Lord, that it is investing too great a power in the Collector, and, in the second place, I think that the investing of this power at present is not necessary. These difficulties always happen when we are amending an Act in instalments as it were, and we do not foresee the difficulties, or the practical effects of which we cannot anticipate. Therefore, having regard to these difficulties, and having regard to the fact that the finances are sufficiently protected by the penal provisions already existing in the Act, I would support the amendment brought forward by my Hon'ble friend, and I would respectfully appeal to the conscience of the Finance Department, if that Department has any conscience at all, I would respectfully appeal to their sentiment that, until we take up the whole Act for revision, to let this remain. I say, My Lord, 'sufficient unto the day is the evil thereof,' and you have bronght in enough taxation even to satisfy the insatiable appetite of the Finance Department."

The Hon'ble Mr. G. R. Lowndes:—"I think my Hon'ble friends a little forget that what we want in this case is the return and not the penalty, and that the payment of a penalty is no adequate recompense for not getting the return upon which the income has to be assessed, and therefore really what we want to insist on by every means possible, is that people shall make their returns. From every one to whom one of these forms is sent out we want to get a return, and I venture to say, even in the face of three Hon'ble members of my own profession, that it is largely a matter of common sense that if a man has declined to give the Collector the materials upon which his income-tax ought to be assessed, it is absurd to allow him to appeal against the assessment which the Collector has been forced to make in the absence of those materials. My Hon'ble friend Mr. Sarma, says, Oh! everything can be got over by a fine, let him pay ten rupees. But take the case of a man whose income-tax ought to be assessed at a lakh of rupees. Is it any adequate compensation to the Government that they will get ten rupees as a fine while the man may still appeal having concealed everything by his failure to make the return which the law demands from him?

"There is one other argument which was addressed almost to me individually by my Hon'ble friend, Mr. Basu. He said surely one of the objects of the law is to make provisions which will be acceptable to the persons against whom they are to be enforced. Well I would ask my Hon'ble friend to consider whether any person who is assessed to income-tax against his will is likely to be satisfied with an assessment made by the Collector or main-

tained on appeal. I always think that these assessments to income-tax are a little like an umpire's decision at cricket, that a man is out 'leg before wicket.' There are very, very few people against whom the penalty is enforced who go away believing that they have been fairly treated."

The Hon'ble Sir William Meyer:—"The case has been so fully dealt with by my Hon'ble friend and colleague, Mr. Lowndes, that I need say very little more.

"The Hon'ble Mr. Basu has appealed to the 'conscience or want of conscience' of the Finance Department. I say we have shown our ample possession of conscience, and have tried to give some part of it to dishonest tax-payers. We want to bring home to dishonest tax-payers the fact that, after all, honesty is the best policy.

"My Hon'ble friend the Pandit asked what is to be gained by this measure? I say, respect for the law is to be gained; greater honesty is to be gained.

"Finally, my Hon'ble friend, Mr. Basu, says that there is a two-fold penalty. A man may be fined magisterially under section 34 of the Act, and here we disqualify him on appeal. That is no new thing. There are constant restrictions on the free right of appeal; it is constantly qualified by time-limits and so forth; and one would think that this is a very reasonable restriction indeed. As for the two-fold penalty, let me take an instance. It frequently happens that men are disqualified from holding certain offices by reason of having been convicted of certain criminal offences. My Hon'ble friend would apparently say in such a case—'Poor fellow, he has already been in jail for (say) forgery, why should not he be a member of the Legislative Council, or whatever public body the law provides such disqualifications for?' I should not be moved by any such argument of double penalty in that case, and I am not going to be moved by it in this case. I cannot possibly accept the amendment."

The Hon'ble Pandit Madan Mohan Malaviya:—"On the Hon'ble Member rising to speak....."

His Excellency the President:—"The Hon'ble Member has already spoken."

The Hon'ble Pandit Madan Mohan Malaviya:—"Yes, My Lord, but I did not speak to the amendment."

His Excellency the President:—"I cannot accept that from the Hon'ble Member, because I was under the impression, until the last words of the Hon'ble Member's speech, that he was speaking to the amendment. I am afraid, therefore, that I cannot help him."

The Hon'ble Rao Bahadur B. N. Sarma:—"My submission was that if the Collector could not proceed without a return, he had the option of having a man fined Rs. 10 for every day's default, and that would be a very good inducement to any man to make his return. That would be a sufficient punishment and would secure the object. Again, if a man files a revision petition on an appeal petition he will have to submit a return, and the presumption of not having submitted the return and the accounts in proper time would be raised against him, and it would be for the Collector and the superior revenue authority to judge whether justice had been done in the first instance or not. My Lord, I do not think that in any event the exchequer is likely to suffer; it is likely to gain.

"Then, my Lord, I submit that anomaly and difficulty would arise. To take a case, an assessee appeals; the appeal petition is rejected; and the man is put before the Magistrate; I do not think any Magistrate could convict a man if he could show that he has sufficient cause. Supposing the Collector comes to the decision that he had no sufficient cause and the Magistrate comes

to the decision that he had sufficient cause, there would be an awkward anomaly indeed. I do not know whether the revision petition would be heard then. Then the principal point is it is difficult in actual practice to distinguish between a case of negligence and one of wilful default. It is because it is so difficult and because you should not throw a person interested in securing revenue into the awkward position of having to decide such questions before entertaining an objection, that I say that this amendment should be accepted. These, My Lord, are my reasons for still pressing the amendment."

The amendment was put and lost.

The Hon'ble Sir William Meyer:—" My Lord, I now move that the Bill, as amended by the Select Committee, be passed."

The motion was put and agreed to.

THE SUPER-TAX BILL.

The Hon'ble Sir William Meyer:—" My Lord, I beg to present the Report of the Select Committee on the Bill to impose a tax on income in addition to that imposed by the Indian Income-tax Act, 1886, and also to move Your Excellency to suspend the Rules of Business to admit of the Report of the Select Committee being taken into consideration."

His Excellency the President:—" I suspend the Rules of Business."

The Hon'ble Sir William Meyer:—" My Lord, I explained the intention and scope of this Bill in my speech introducing the Financial Statement, and in the further speech introducing the Bill itself; and the extent to which the Bill has been amended in Select Committee is explained in the Committee's Report. I need only confine myself, therefore, to emphasising a few further points.

" In the first place, we are going on the principle of taxing in one year the profits made in the year previous. That is the principle already applied in respect of profits of companies and 'other sources' of income in the existing Act. It is in fact the only feasible method, since we tax the profits actually ascertained, whereas if we taxed current profits, we should be dealing with uncertainties. In so far as a man is taxed in a year in which he has not been doing so well on larger profits in the previous year, he will have the compensation that in the third year the poorer business of the second will relieve him of some taxation. We also have to take into account the fact that certain companies, firms and persons have made large profits in 1916-17 owing to the war, and that, as I indicated in paragraph 61 of my Budget speech, we propose to secure a portion of these excess profits to the State.

" It follows that section 33 of the principal Act, which is quite inconsistent with this system, would be out of place in the present Bill, and is therefore not among the sections of that Act made applicable to the Bill. I may add, too, that it is out of place in the principal Act having regard to the method of assessment there adopted, and is marked for omission when we come to the general revision of that Act.

" As regards the argument that it is a hardship to tax profits of a past year that have already been allocated, I need only say that any new tax involves unexpected calls on peoples' incomes; and, in the present case, the tax can hardly have been altogether unexpected for there was certainly anticipation of either an increased income-tax, a super-tax, or an excess profits tax.

" As indicated in the Select Committee's Report, we fully debated the question as to taxing companies and firms in respect of undistributed profit. That is the British practice, and *primâ facie* we should be quite justified in standing by it. But, as indicated in the Report, we have made an important concession with reference to the special circumstances of India at the present time, that is, besides exempting from the 'taxable' undistributed profits the

Rs. 50,000 previously contemplated, *i.e.*, the difference between total and taxable income, we make a further allowance not exceeding 10 per cent. on the whole profits, *i.e.*, the whole sum on which the ordinary income-tax is paid for amounts left undistributed in the business. Thus, if a company had made 40 lakhs and had distributed 32, leaving 8 allocated to reserve or otherwise applied to the purposes of the business, that 8 lakhs would be reduced by Rs. 50,000 *plus* 4 lakhs, and the super-tax, so far as undistributed profits are concerned, would be paid on Rs. $3\frac{1}{2}$ lakhs only.

" As has been indicated in the Report, in making this concession, we have had regard to the special circumstances of Indian enterprise and industry, *i.e.*, we wish to encourage the expansion of capital applied to industrial enterprises by allocation thereto of part of the profits already made. We have also taken into consideration the fact that the assessments this year will be made on profits of 1916-17, and that those profits have in many cases been obtained at the cost of special strain on plant and machinery, which would not be adequately covered by the general allowances made for depreciation. The 10 per cent. concession is intended to cover this also, and I desire to emphasise the fact that it is a very special concession not covered by British practice, and that we reserve to ourselves liberty to re-consider it later on when things have become more normal, if circumstances seem then to point to the fact that the concession is needlessly large. Further, I should like to say that it must not be in any way understood that by giving a concession up to 10 per cent. of total profits the Government consider that that is the maximum amount which ought to be put into the expansion of the business. There may well be cases in which a company or firm would find it to its own ultimate interests to utilise more than this sum in business expansion, even at the cost of paying somewhat more in the way of super-tax.

" Another point which has been brought to my notice by my Hon'ble friend, Mr. Bray, is this. In the case of companies and firms which make profits in India, but have also an English domicile, they are subject to the English income-tax and super-tax as well as to ordinary Indian income-tax. That raises what may be called the double-income-tax question, which the Home Government have already promised to consider, and which must indeed be considered in connection with *post bellum* measures calculated to draw the bonds of Empire closer. But, for the present, we must take things as we find them, and we cannot give up any portion of our ordinary income-tax.

" I may point out, too, that it is not exactly a question of full double-income-tax, seeing that for purposes of Home assessment income-tax paid in India is deducted from the assessable income in England.

" Well, now as to the application of this to the super-tax. We cannot take into account at present the operation of income-tax and super-tax in England, but the excess profits tax levied there as a temporary war measure is on a somewhat different footing, and we propose, as a measure of equity, to lay down that where evidence has been given that in respect of Indian transactions coming under this Bill, a specific sum has been paid to the British authorities in the way of excess profits tax, that amount shall be treated for Indian purposes as working expenses, and shall not be taken into account in calculating the taxable income.

" Another point raised in Select Committee by my Hon'ble friends, Mr. Bray and Mr. Wardlaw Milne, was the practical operation of section 21 of the principal Act, which is one of the sections to be made applicable in the present Bill. That section runs as follows :—

' Any person not resident in British India, whether a subject of Her Majesty or not, being in receipt, through an agent, of any income chargeable under Part IV, shall be chargeable under that Part in the name of the agent in the like manner and to the like amount as he would be chargeable if he were resident in British India and in direct receipt of that income.'

"I was asked whether, if a company or firm remitted directly to a partner or shareholder resident out of India the amounts accruing to such partner or shareholder by reason of profits or dividends, that transaction would be treated as an agency transaction within the scope of section 21.

My reply is that this would be a strained reading of section 21 as it stands. We should regard the transaction described as a direct remittance to the beneficiary, and the agency provision would only come in where a third party was employed as an agent. We are prepared to make this point clear by executive instructions; our intention in connection with the present legislation being, as I stated at the last sitting, to disturb the existing law and practice as little as possible.

" As stated in the Select Committee's Report, we desire to treat Hindu joint-families on the same footing as far as possible as firms.

" I need say nothing more at this stage, and would now move that the Report of the Select Committee be taken into consideration."

The motion was put and agreed to.

The Hon'ble Mr. Rangaswamy Ayyangar withdrew his amendment to clause 1 (3) which ran as follows :—

(' That the words and shall cease to be valid after March 31st of the year following the close of the present war be added to clause 1 (*3*), after the words the first day of April, 1917.')

The Hon'ble Rao Bahadur B. N. Sarma:—" My Lord, I beg to move that to sub-clause (3) of clause 1 the following be added :—

' and continue in force during the period of the war, and for six months thereafter.'

" I ask the Council by accepting this amendment to confine the operation of this Bill when it becomes law to the period of the war and for six months thereafter, or, in other words, that this Council and the Government should treat this as a special war measure. It is not the intention of anyone here; it is not my intention to embarrass the Government of India in the slightest degree, or to decline in any way to permit them to raise what money may be needed for the defence of the country or for the progress of the war which is in operation. I readily therefore consent to the Government raising, by means of this taxation, the sum that they hope to obtain in order that the war might be helped during the year. I only ask that the consideration of the large questions raised by this Bill may be deferred to a future date when everybody's mind would be free to consider dispassionately as to the best ways and means whereby money can be raised, and how much has to be raised. When I tried to raise, on the last occasion, the question as to whether it was competent to the Government to raise revenue in anticipation for unsanctioned expenditure, for a non-Government of India purpose, I was overruled and I bow to that ruling, and I cannot, and I will not, raise that question. But all that I ask the Council now to consider is, whether it would be right to legislate for an indefinite period when we have not at the present moment the actual sanction of Parliament and do not know anything with regard to the measures which it may be proposed to take with reference to India and the British Empire in general. It would be, if I may say so and I may be pardoned for saying so, wrong and unwise to do it—it would be as suicidal as for a ward to tempt his guardian to cast aside the safeguards the guardian himself has proposed for the ward's protection, and to consider in a time of crisis as to what may be done in adjustment of the relations between the ward and the guardian for the guardian's benefit. I take it, My Lord, that the legislation since 1858 has been enacted on the footing that India is a dependant country, that the Government of India are only the mouthpiece of the Secretary of State, that the Secretary of State is responsible to the Cabinet and to Parliament, and that consequently in vital matters the Government of India has virtually no discretion to act independently. And acting on that footing neither the Government of India nor we can have any real voice in changing or directing policy. Further, the attitude of the Government shows clearly that we are but a deliberative assembly in substance, and all that we, on the non-official side, can do is but to advise the Sovereign of Your Excellency as his Vice-Regent sitting on the throne of the ancient Hindu and Muhammadan Kings. Now the question which under the circumstances I put to myself was, whether I would be acting honestly if I should not ask the Council to protect itself for some time until the end of the war with

the safeguards which the Parliament has enacted for our benefit. I do not ask you on this amendment to judge as to whether at the present moment one hundred millions are necessary, or whether we shall have to find the interest on that amount or the sinking fund. We claim to be partners in the Empire; we shall have to bear the burdens, and we shall cheerfully do so when the time comes when we are treated on an equal footing. That day, we hope, will come sooner or later, and at the end of the war we shall have to adjust our relations on that footing. But, meanwhile, let the relations continue as they have been; sections 20, 22 and 28 read together, seem to my mind to show, and the ancient practice of this Council also seems to show, that we only budget for sanctioned expenditure for a purpose which is understood to be a Government of India purpose, and that the Secretary of State or the British Cabinet has no power to borrow from any one for any purpose whatever unconnected with the Government of India. I agree that we should provide funds for the current year without defeating the purpose which His Majesty's Government and the Indian Government have equally at heart, that of prosecuting the war to a successful conclusion. I take it that it is perfectly open to the Parliament to consider the representations of this Council and of the Government of India or His Majesty's Government, and arrive at a decision as to whether the revenues of the Government of India can be applied for the purpose of maintaining His Majesty's forces outside the Indian borders. I hitherto took it that that section was meant to mean borders within the sphere of influence of India. Charges in connection with Egypt, charges in connection with Persia, in connection with Burma, in connection with China....."

His Excellency the President:—"Order, order. I should like the Hon'ble Member to confine himself, as far as possible, to the amendment which he is moving and to the Bill. I do not wish to interrupt him, but I should like him to confine his remarks within a brief space to the wider aspects."

The Hon'ble Rao Bahadur B. N. Sarma:—"I say, therefore, that the practice has been that. We should not weaken in the slightest degree the hands of the Government in what they have done already in providing for the current year's expenditure, or embarrass them. At the same time, we should not weaken the people's representations if there should be any on a wider consideration of the proposals before the country. I submit it would be perfectly competent and wise on our part to raise as much money as we can, even by further taxation if need be, by a supplementary Bill later on, all the money that may be actually needed for the prosecution of the war. That is the reason why I ask the Council to confine the operation of this Bill to the period of the war and six months thereafter. I do not want it to be said that we, Indians, grudge showing to the best of our ability our active co-operation in the cause of the war, and therefore I should not like to jeopardise the chances of India for a fair hearing. But, at the same time, I do not want it to be said that we have not attempted to protect the interests of the people, because after all it will be said that this offer of the Government of India to His Majesty's Government is by an agent to the principal. I hope that, in future, the relations of the Government of India will be such as to practically represent us; that is what we have been praying for in Congress, and until that time arrives people would say that it is from one agent to another or by an agent to the principal. I should not like that to be said. No inconvenience would be felt at the moment if my position be conceded by the Council; the money can be raised by taxation, and it can be applied in any way the Government thinks fit. There is nothing in law to prevent Government from coming up for further funds, if necessary. I do not think, therefore, that we shall be jeopardising any interests if the Council accedes to my request that this question be further deferred, and that its operation be confined to six months after the war. I shall not go into the further question now, but shall deal with it later."

The Hon'ble Sir William Meyer:—" My Lord, I cannot accept this amendment. I made it clear in my speech introducing the Financial Statement that we had undertaken abiding liabilities, and that we had to frame our taxation accordingly; that was one of the reasons I gave for rejecting a temporary Excess Profits tax and for falling back on Super-tax. Therefore, we desire this Bill when it becomes law, to be a permanent part of our Statute-book, permanent in this sense, that it may come under revision when circumstances require it, but that it remains in force till it is definitely modified or repealed. I think the Hon'ble Member said that there would be no inconvenience in framing a Bill for a temporary period only and then coming up again. I say there is every inconvenience in doing that. You will unsettle people's minds, you will leave them to cherish illusory hopes of remissions of taxation. When you have got to impose taxation of this sort, it is much better to do it once and have done with it. As for the Hon'ble Member's legal qualms, I can leave it at this, that the Government of India Act is an Imperial Statute, that it is for the law officers of the Crown at Home to interpret it; and that if anything is required it will be done by Parliamentary Resolution, as was done in 1914 in respect of our then contribution to the war."

The amendment was put and lost.

The Hon'ble Mr. Kamini Kumar Chanda:—" With regard to these amendments which stand against my name——

'1. That in clause 2 (1) (*a*) the letter and brackets '(*f*)' be inserted between the letters and brackets '(*e*)' and '(*g*).'

2. That in clause 2 (1), sub-heads (*b*), (*c*) and (*d*) and the proviso be omitted.'

I wish to say this: that I sent notice of them before I had received a copy of the Report of the Select Committee. After having read that Report and further considered the matter, I do not press these amendments. I ask for permission to withdraw them."

The two amendments were, by permission, withdrawn.

The Hon'ble Rai Sita Nath Ray Bahadur:—" My Lord, I also give notice of a similar amendment, namely:—

'That in clause 2 (1), for sub-clauses (*b*), (*c*) and (*d*) and the proviso the following be substituted:—

'(*b*) any income which a person enjoys as a member of a company or of a firm or of a Hindu undivided family when the company or the firm or the family is liable to the tax,'

and I honestly believe that the provisions of the Bill, as at present worded, will press very heavily on certain individuals. But, in view of the present emergency, it is not desirable that I should embarrass the Government by striking a discordant note. I, therefore, beg to withdraw the amendment, and at the same time I desire to take this opportunity to express my acquiescence in the proposal to make a suitable contribution to the Home Government for the successful prosecution of the war."

The amendment was, by permission, withdrawn.

The Hon'ble Rao Bahadur B. N. Sarma:—" My Lord, I beg to move the following amendments:—

'That in clause 2 (1) for clause (*b*) of the definition of "total income" the following be substituted:—

'(*b*) in the case of a Hindu undivided family, so much of the joint income of such family as would not be liable to assessment under this Act if all the members of the family had been divided on the date of the assessment.

'Provided that the total amounts payable by such joint-family does not exceed the aggregate of the sums which would have been payable by the several members of the family in respect of their shares of the income, if they had been divided.'

"I shall present a concrete instance of how the Act works and how it will work under my amendments, and leave it to the Council to judge as to whether

the amendments that I have sought to put in are reasonable or not. With Your Lordship's permission, I may give my reasons on both the amendments, and Your Lordship may put them separately; it would save time."

His Excellency the President:—"Yes."

The Hon'ble Rao Bahadur B. N. Sarma:—"Supposing an undivided family consisting of four brothers, has an annual income of 2 lakhs of rupees. If the family be divided, or if their shares are defined, each share would be 50,000 rupees, and not be liable to this super-tax. But if the brothers continue as members of an undivided family, and spend Rs. 10,000, then they would be liable to pay assessment on a lakh and 90,000 rupees—on 50,000 rupees at the usual rate and on 40,000 rupees at a higher rate. In the case of an undivided Muhammadan family there would be no hardship, because the assessment would be only on the undivided share of each individual member of it. I take it that, as the wording stands, a *Dayabhga* family in Bengal, although there is no survivorship among the members, would fall within the definition of an undivided family and be liable to assessment at the higher rate although the family cannot be said to be a corporation strictly. Now, My Lord, in actual practice, therefore, the law would be penalising the Hindu religion, would be placing a disability upon those following the Hindu law, and would encourage the division of Hindu families. I am not here to defend the undivided family system or to argue as to whether it would be wise to encourage division in undivided families; that is not the question before the Council, but the question is, whether we as a legislature should interfere with the usages of the people in an indirect manner and encourage division by making it their interest to do so. My humble submission is that it would not be wise or expedient or proper.

"Then, with regard to the incidence of taxation, my amendment is this, supposing it was three lakhs and four brothers. If they divided, each of them would get 75,000 rupees; each of them would be liable to pay super-tax on 25,000 rupees, not at the higher rate, but one of the lower rates, whereas, if they continued to be an undivided family, deducting Rs. 10,000 or Rs. 20,000, the amount they may spend during that year, on the Rs. 2,90,000 or Rs. 2,80,000 they would be liable to pay at the higher rate. I submit that that would be unjust too. Therefore, I suggested that for the purposes of assessment the family should be treated as if it were divided, that only the incomes of the several members as they would have been if they had been divided should be assessed. No doubt there were some difficulties under the old Act, but those difficulties were not greatly felt so long as the tax was low. The taxes were raised only last year, and there has not been sufficient time for people to understand them or to feel them. But this is a permanent Act, the rate is very high and the consequences would be irresistible. It would lead to disruption of Hindu families. It would lead to heart-burning on the ground that there is a discrimination between Hindus and others, although I am sure the Government never meant it, and they are only following the precedent of the previous Income-tax Act. I, therefore, hope that the Government will be pleased to accept this amendment. Of course, it may be said that it would be difficult to determine the shares, but in the case of a Muhammadan family, the same difficulty would arise, whether the share was $\frac{1}{2}\frac{1}{2}$ or $\frac{1}{3}\frac{1}{1}\frac{1}{5}$. There is some difficulty, no doubt, but there is no essential difference in the difficulty between what the position would be in the case of an undivided Hindu family and an undivided Muhammadan family. The difficulty would be still less in the case of a *Dayabhga* family. In any event under the existing provisions there would be real hardship, and I hope the Government and the Council will deal with the amendment sympathetically."

The Hon'ble Pandit Madan Mohan Malaviya:—"My Lord, I have already stated in my note the reasons which led me to dissent from my Hon'ble colleagues on the Select Committee on the point now before the Council. I think that while the object of the Committee has without doubt been to treat undivided Hindu families as standing on the

same footing as firms, owing to the peculiar constitution of the joint Hindu family, members of such families would be exposed to a serious disadvantage, unless an amendment like the one proposed by the Hon'ble Mr. Sarma is accepted. In the case of a firm as soon as profits will be paid or finally allotted to a member, they will become the separate property of the individual; so also in the case of a company as soon as dividends will be paid or declared for payment; no difficulty will arise here. But in the case of a joint Hindu family the moment any amount will be finally allotted to a member of such a family, *i.e.*, that amount will by law become the separate property of that member, and if that member should happen to die, the course of succession to the property will in many cases be diverted. Therefore, either members of a joint Hindu family must submit to a higher taxation than what the Government contemplates they should be subject to, or they must expose themselves to the danger of the breaking up of the joint family. I know that the Committee did not intend this; I know that the Government did not intend this. I know that the Hon'ble the Law Member has been anxious to do something to remedy a defect which is obvious. I regret that when the matter was before the Select Committee, I was not able to see clearly myself what the exact form of amendment to recommend should be. I have since put it in the form in which it stands in my note, and that is the form which the Hon'ble Mr. Sarma also has suggested. I hope the amendment will commend itself to the Hon'ble the Law Member, and that Government will see their way to accept it."

The Hon'ble Mr. G. R. Lowndes:—" My Lord, I feel and have felt from the commencement that there is considerable difficulty in dealing with the case of the undivided Hindu family, because, in the first place, we get no help in dealing with a semi-corporation of that nature from the provisions of the English Super-tax Law, as such a semi-corporation does not, of course, exist there. It is an institution which is peculiar to India, and it does undoubtedly cause some difficulty in assessing anything in the nature of a super-tax. But the only fair way of dealing with it has appeared to us to be to put undivided Hindu families on the same footing as firms. If in India you exempt, as we do under the Super-tax Act, all kinds of agricultural income and therefore put aside what I may call the agricultural joint-families of India (which, I fancy, are very much the larger number), the only joint-families which will eventually be subject to super-tax are the trading ones, and the dividing line between a firm and a trading family is a very thin one; in fact in many aspect of the law they are already treated on exactly the same footing. They are trading associations, but instead of being a partnership at will between a certain number of persons who come together by contract as partners, they are a partnership by custom, one of the incidents of which is that when a male child is born in the partnership, he takes a definite interest in it by birth. But the nearest analogy you can get to the Hindu joint-family is undoubtedly a partnership or what we call in this Bill a firm. Therefore, where you have a family of this sort, the only really fair way of dealing with it is to treat it on the same lines as if it were a firm. It has been treated on exactly the same footing as a firm ever since 1886 without, so far as I know, any objection. For thirty years Hindu families have been taxed exactly in the same way as firms, and the only exempting provision under the Act of 1886 was that, where a family had paid the tax, an individual member of the family should not be asked to pay it over again.

" We have in the Super-tax Act got away from the principle of what I may call taxation at the source, namely, taxing a company on what the company makes, taxing a firm on what the firm makes, and taxing a trading Hindu family on what the family makes. We have said that we would tax in the first place the individuals. The reason for that is obvious. If you tax at the source, as you do in the Income-tax Act, you will have to give a great number of refunds. In our income-tax legislation of last year, a graduated tax was adopted. In the case of a company, where the profits are divided up among the share-holders, individual share-holders who do not come within the one-anna rate get a refund of the amount of tax over and above the particular rate which would have been applicable to them—the 5-pie rate or the 6-pie

rate, or whatever it might be. It is quite obvious that if you were to adopt that principle under the Super-tax Act—and it would, I think, be the fairest of all—you would have such an enormous number of refunds to deal with, that it would be quite impossible. Therefore, we had to get away from this principle at once. Getting away from the idea of taxation at the source, we started with the principle of taxing the individual according to his income at whatever the rate of super-tax he might be liable to. But directly you come to consider the matter from this point of view, you find that there is always a residue left in the hands of these semi-corporations, *i.e.*, a company does not divide the whole of its profits, but keeps a considerable sum back and puts it to reserve. In the same way partners do not spend all the income they have made; they leave a considerable portion with the firm; and in the same way, a Hindu family, as we all know, does not spend the whole of its income, at all events in a good year, but leaves some in the family purse which goes on accumulating. Therefore, while the main idea is to tax the individuals, it is clear that you cannot let off from taxation the residue which is kept by each of these semi-corporations, and you must devise some means of taxing, to a fair extent, the reserve taken out of profits by a company, the reserve kept in the firm by the partners and the reserve in the common family purse of a Hindu family. I quite admit that the Hindu family would be entitled to divide that reserve if they chose, and in that case, if each member of the family took his own share, you could only tax the individual's share if he came within the super-tax rate. Exactly the same thing occurs in the case of a firm, which, as I have said, is the nearest analogy we can get. Supposing the partners choose to divide the whole of the profits made in the year, each partner will be taxable solely on what he gets. There will be no residue in the firm, and the firm as an association will not be taxable at all, because it has put aside no reserve from the income of the year, and exactly the same principle applies to the company. Therefore, it is clear that so far the Hindu family and the firm are treated on the same footing. But it is said that you will drive the Hindu family to divide in order to escape taxation. I have no doubt that my Hon'ble friend Mr. Sarma and the Hon'ble Pandit, are taking into consideration what is a natural factor in such cases, namely, that everybody wishes to escape taxation if they can, and it may be that the Hindu family will say 'rather than pay this super-tax we will divide.' Just the same thing *may* be done by a firm. But is the ordinary business firm wiser than the Hindu family? Do you think that the firm will divide the whole of their profits merely in order to escape paying super-tax on the residue? I doubt if they will. They are very much wiser people than that. They will say that if they divide and spend they will go on making the smaller income —that follows from the smaller capital—whereas if they put aside a sum every year, they will have a larger capital, they will make a larger income, and they will have a larger amount to spend in future years and a larger amount again to put to reserve. Exactly the same line of argument applies to the company.

"Therefore, I doubt if the Hindu family will be as unwise as my Hon'ble friends seemed to think, or, if owing to its natural desire to escape taxation, it will divide the whole of its income....."

The Hon'ble Pandit Madan Mohan Malaviya:—"It would be a reasonable desire in the circumstances, honest and just."

The Hon'ble Mr. G. R. Lowndes:—"I leave it to my Hon'ble friend to decide whether it is reasonable to desire to avoid taxation....."

The Hon'ble Pandit Madan Mohan Malaviya:—"Not that, but to pay only one's proper share, what is just and honest."

The Hon'ble Mr. G. R. Lowndes:—"To pay what the law says you have got to pay. It seems to me that what both my Hon'ble friends want, in dealing with the Hindu joint-family, is to keep the family undivided, but to give it all the advantages of being partitioned. It is the same with the

firm who would say, 'we want you to treat us as if we did divide the whole of our profits; it is true we do not—we keep a common purse. Why? Because for our own purposes it is desirable to do so.' It is the same with a company—'Why tax us? Treat us as if we had divided the whole.' That is an argument you can apply to all of them; but you cannot apply it only to one of them. You cannot apply it to the Hindu joint-family and say it does not apply equally to the firm. As I have said, it seems to me that you must keep the three practically on the same footing.

"But it is said that we do not do this in the case of the joint Hindu family, inasmuch as we are driving them to divide. As I have already said, I doubt if they will divide, but in this I bow to the greater experience of my Hon'ble friends who have supported this amendment. They *may* in fact divide but I again take the liberty to doubt whether we shall have driven them to do so, or even are holding out an inducement to them to do so, and if we are, whether that is necessarily a wrong policy. My Hon'ble friends do not seem to follow the ideas of the ancients in this matter at all. The idea of the ancients was that there was merit in division. I do not want to bore the Council, but I should like to read a few words showing how this was regarded in the old days. I will read a short passage from Maine's 'Hindu Law'....."

The Hon'ble Pandit Madan Mohan Malaviya:—"May I interrupt my Hon'ble friend for a moment? My whole point is whether the Government should, by means of this Act, constrain the Hindu joint-family to divide. I do not want to discuss the ethic of a divided or undivided family. I submit it is not right for the Government, when it does not want to tax a joint Hindu family more than companies or firms, that it should by the enactment proposed compel them either to divide or to lose the benefit of the exemption to which they are as much entitled as members of a firm or a company."

The Hon'ble Mr. G. R. Lowndes:—"My Lord, the argument that has been used is this, that if you tax a Hindu family in this way you will be putting before them an inducement for division. My sole argument at this moment is that, if this is true, I am not at all sure that it is a valid objection. I have already said that I doubt if it will produce this result. But suppose my Hon'ble friends are right, having a greater experience in that respect to which I bow; supposing that this is the result, I say, I doubt whether it is an argument in favour of omitting the Hindu family from the provisions of the Bill. And I am only pointing my argument, as I am fairly entitled to do, by showing what the sages have said on this point. I do not propose to trouble the Council with a long extract, but I think this may be of some interest:—

> 'The family feeling against partition is so strong, since what one gains all the others lose, that it is probable the usage would have had a painful struggle for existence, if it had not been supported by the strongest external influence, namely, that of the Brahmans. This support it certainly had. As long as a family remained joint, all its religious ceremonies were performed by the head. But as soon as it broke up, a multiplication of ceremonies took place, in exact ratio to the number of fractions into which it was resolved. Hence a proportionate increase of employment and emolument for the Brahmans. The Sanskrit writers are perfectly frank in advocating partition on this very ground. Manu says: 'Either let them live together, or if they desire religious rites, let them live apart, since religious duties are multiplied in separate houses, their separation is therefore legal,'—to which Kulluka (one of the ancient and important writers) adds, in a gloss, 'and even laudable.' And so Gautama (one of the sages going back to the very earliest days) says:—'If a division take place, more spiritual merit is acquired.'"

"Well, I will use that as an answer to the argument, for what it is worth, that supposing this gives an inducement to divide, it is a thing Government ought not to countenance.

"Let me add another point. I doubt if it will cause such an inducement, because I think the Hindu joint-family is much more practical than my Hon'ble friends seem to think. I have discussed this aspect of the case at some length with my Hon'ble friend, Pandit Malaviya. He and I had an extremely interesting discussion the other day in which I hope I was not unsympathetic

even from his point of view. But after he left me I went into the figures, and I think it may interest the Council to hear the result—I will not give details but merely a *resume*, the argument being that there will be no inducement to divide. I do not say there will be none on the figures of any case, because you cannot work out things of this sort for the infinite number of combinations you may have, as the family may consist of an infinite number of members, and may be a family which spends much or little of its income. But I have taken what appears to me, and what I think appeared to the Hon'ble Pandit when we were discussing the subject, a fair average test case of a Hindu family. That is, I take a family of five, which, I think, is fairly representative, and I take a family which saves roughly one-third of its income. I will give my Hon'ble friend the benefit of the proportions, taking the larger sum in all cases, to the joint purse as the richer families may not spend as much as that. I think it will interest the Council to hear how it works out, merely remembering that the point I am dealing with is the argument that, if we tax them as this Bill provides, it will induce them to divide, that is, to break up the old system of the Hindu family. I start with the example which the Hon'ble Mr. Sarma took, namely, a family with an income of two lakhs, but taking a family of five and one which saves one-third of its income. If they do not divide they get Rs. 50,000 free *plus* 10 per cent. of two lakhs, *i.e.*, Rs. 70,000, and that, as near as we can get, is the one-third oftheir income which they do not spend. Therefore, we may neglect the two-lakh family. It will neither pay if it divides, nor will it pay if it remains joint. Now take a three-lakh family with five members. The five members, if they divide, will pay Rs. 3,125. If they do not divide they will pay Rs. 1,250. A four-lakh family, if they divide, will pay Rs. 9,375: if they do not divide, they will pay Rs. 4,062. A five-lakh family, if they divide, will pay Rs. 15,625: if they do not divide they will pay Rs. 7,812. Then a ten-lakh family—I jump now to larger figures, because I do not wish to weary the Council—if they divide will pay roughly Rs. 70,000: if they do not divide, Rs. 50,000. A fifteen-lakh family will pay $1\frac{1}{2}$ lakhs if they divide, and Rs. 1,34,000 if they do not divide. A twenty-lakh family, if they divide, will pay Rs. 2,50,000, and if they do not divide Rs. 1,70,000. Of course, I quite admit there will be variants both ways—variants more to the advantage of the joint family, variants less to the advantage of the joint-family. But I have taken what I think are fair average cases, and I have given the Council a rough idea of what the figures will be, I do not think therefore that any argument can be based on the practical results, that if they are taxed in the way the Bill proposes, it will really be an inducement to joint-families to divide.

" There is only one other point to which I need refer, and that is this. At the present moment we are only dealing with the past year—we are dealing with the completed year 1916, and therefore, so far as the first year goes, there can be no question of driving a family to divide, because of course what they will be taxed upon will be the actuals of the past year. It will be families who have actually divided who will pay. Families who have not divided and have made a saving in the common purse will be taxed on the savings of last year, whatever they were. So far as we are considering the future, at the end of this year we shall undoubtedly be in a very much better position to deal with this and a good many other questions under the Super-tax Act than we are now. We really do not know how many undivided Hindu families there are who will be taxable at all.

" Personally, I venture to think they will be very few under the system which has now been accepted. Every joint-family now will have the first fifty thousand free *plus* 10 per cent. of its total income. I doubt if, with these exemptions, there will be very many Hindu families which will be taxable at all. But at all events at the end of this year, we shall be in a much better position to deal with the question. We shall know how the matter stands, and whether, as a matter of fact, there is likely to be any hardship, and if there is, I am sure that the Hon'ble the Finance Member will be quite willing to reconsider the case before the Budget is brought in next year. For the moment, I quite admit that to a great extent this is a leap in the dark. We do not know how it is going to affect joint Hindu families; we do not desire in the least to

penalise them unfairly. But as far as we can see after really a great deal of thought and a great deal of discussion, both with my Hon'ble friends and among ourselves, we have come to the conclusion that the only fair and reasonable way of treating joint Hindu families, at all events for the present, is to treat them like firms, and to put them on the same sort of footing as firms. But if any Member of this Council can devise a really better and more practical method of dealing with them, we shall be very glad to consider it.

"With regard to the Hon'ble Mr. Sarma's amendment, I would say at once that it is utterly impracticable. In a very recent portion of this debate, we were considering whether it would be desirable for the unfortunate Collector, who, we were then told, was a very busy man, to put more work upon him, and ask him to decide whether a person had wilfully and without justification refused to send in a return, and now we are calmly asked to put upon him the task of dividing up a joint-family's income. My Hon'ble friend would say to him, 'It does not matter how you divide it; your decision will not bind the family in any way. But would you kindly decide exactly what portion of its income every member of this family would have got if they had divided?' I can only say that if there is one doctrine which is abhorrent to the law—and in this I am quite sure that every legal Member of this Council will support me—it is that we never deal with hypothetical cases. We never try to ascertain what a person would get if there were going to be a partition. We say 'sufficient unto the day is the evil thereof.' If you want a partition go before the Courts, but do not ask them to say what share you would get *if* you partitioned. If my friend's idea of these hypothetical partitions were carried out, one can imagine what a throng there will be at the Collector's door, from the hoary old man with one foot in the grave down to the baby at its mother's breast, all asking the unfortunate Collector 'would you please tell us how much each of us would get if we were to divide?'"

The Hon'ble Mr. Bhupendra Nath Basu:—"My Lord, we have listened to a very interesting discourse from my Hon'ble and learned friend, the Law Member, on the ethics and constitution and position of a Hindu joint-family. For once he has cited our ancient law-givers as throwing light on his own way. My friend objects to the word 'once.' I have no doubt that he will find considerable light and considerable comfort in the ancient institutes of the Hindu people. It is no doubt a very difficult subject to deal with, and I frankly admit that. But my friend will also admit that English jurists in dealing with Hindu institutions have often-times fallen into great errors. Take, for instance, the question of the position of a Hindu widow. A considerable amount of injury and injustice has been done in treating her interest as the interest of a life-tenant under the English law. The Hindu widow, My Lord, no doubt enjoys the income of her husband's estate, if he has died childless, for her life; but for the time being she has all the rights of a full owner, and those rights are quite distinct from the rights of a life-tenant under the English law; but nevertheless naturally English jurists who were familiar with life-tenancies in their own country fell into the error that the Hindu widow was a life-tenant, and dealt with her rights and position on that basis. Similarly—I hope my Hon'ble friend will forgive me—he has confounded an English firm with the Hindu joint-family. They are apparently similar, but they have very many points on which they are at complete variance....."

The Hon'ble Mr. G. R. Lowndes:—"Would Your Lordship allow me to intervene? I was very careful to say that I treated them as analogous. I used the word analogous over and over again with reference to them."

The Hon'ble Mr. Bhupendra Nath Basu:—"I thank my Hon'ble friend, but analogy is often deceptive, for the essential difference is not seen. As my Hon'ble friend knows, argument by analogy is one of the many instruments or methods which lead us into pitfalls; and I am afraid my

Hon'ble friend has not been saved even from the perception of analogy from an evident pitfall which, I hope, I shall be able to expose in this Council. The position is this, My Lord. In the case of a business-firm each man has got a definite and a separate interest in the firm, and at the end of the year when the accounts of the firm are adjusted, the position of each member as regards the profits is determined. Sometimes it happens in the case of business-firms that the profits which each individual member is likely to get are not finally allotted to him; for the purposes of the business the profits are kept along and continued to the next year. But in the case of an unfortunate (or fortunate, whichever way you look at it) Hindu joint-family, we do not know, it is difficult to predicate of any individual member of that family as to what his share is. The whole family, from the old man whose time has come to retire from the world down to the babe at the mother's breast, are interested, and when one member dies it is not that his sons succeed, but the survivors succeed jointly. Not until the partition comes is each share distinctly separated and allocated to particular individuals. The father and the sons together have a right, and the sons have during the lifetime of the father a right—an inchoate right—which they may enforce, of having the estate partitioned between themselves and their father. I am quite sure that these are questions which will not interest this Council and questions fitter for a Court of law or for a committee of jurists than for a Council composed as we are; not that I mean to attribute to my friends opposite any want of appreciation of difficult points, but I think that they will not take it as an offence if I say that in these matters some previous knowledge is essential.

"Then coming to this point my friend says that we have treated the firms and joint families alike. I respectively submit that the treatment under this Bill is not alike. For in the case of the joint-family you are taxing them at the source; the Hindu joint-family, as my friend knows, for various reasons cannot easily be split up. They have continued probably for centuries and for generations, and until some disruptive force comes in, it is not likely that the joint-family does break up, especially in business families. And, therefore, the position will be that they will not be able to divide the income finally as has been proposed by this Bill; and secondly, they will have, even after keeping apart the 10 per cent. to be taxed upon their income as made, and as has been said that will be taxed at the source. And that is, I submit, a very great differentiation in treatment between a firm and a Hindu joint-family. My friend has said that, even this super-tax will not lead a family to divide. Probably he is right. I hope the tenacity of Hindu family life will continue in spite of adverse legislation, but is it fair to that family, My Lord, that they should be in this way penalised, persecuted because they choose to follow ancient custom, because they do not choose to see the great advantages, religious or otherwise, which my friend puts before the public as accruing from division...?"

The Hon'ble Mr. G. R. Lowndes:—May I be allowed to intervene again. What I put before this Council was the great *disadvantage* of division. I leave out of consideration the religious benefits, but in regard to the worldly conditions, I read out a whole series of figures to show that the advantage was on the side of remaining joint....."

The Hon'ble Mr. Bhupendra Nath Basu:—"I am coming to that point; I am dealing now with the question of principle. As regards the religious merit if worship is performed in more homes than one, certainly the community would benefit. Whether the man comes in for anything concrete or not is a matter outside consideration; it is the spiritual benefit we are concerned with, and the more worship which goes on in the land by people the greater the benefit. But apart from that, and I speak with some knowledge of the institutions of my country, the feeling against partition is very great, and therefore they will continue to be penalised unless, as my Hon'ble friend says, by partitioning they will not suffer, or will, as he says now, gain an advantage. Well, My Lord, how are they to gain an advantage? In the first place, we will assume that 10 per cent. is to be set apart. But in the next place, if the total income is to be assessed, certainly they will have to pay

at a higher rate. I will not go into the figures which my friend gave, but take it as an abstract proposition. You have got an income of a lakh of rupees after deducting everything which you can assess to super-tax if it is at the source. If it is distributed, say amongst five members, the super-tax goes, only income-tax remains, and therefore taking it as a simple and concrete proposition, it is evident that the people whose income will be taxed at the source will suffer more. If that was not the case, why not do the same unto others as you would be done by? Why not take the firms on the same footing? Why not tax them also at the source and see what a hue and cry there will be throughout the country? Here you have in one day or two days launched legislation on the country over which thousands of joint-families are scattered, and my friend says that he has given the matter his best consideration, and that he asks us to accept that as sufficient. Well, with all respect to my Hon'ble and learned friend, I may say it is a question which vitally affects the Hindu people all over the country. They must have some time to realise what the effects of such legislation may be upon their position, either as members of a Hindu family or in regard to their incomes, and it is not possible, having regard to the urgency of the measure, that such time should be given to them for consideration and the expression of their views. Therefore, it is all the more necessary that great caution should be exercised in this legislation, and therefore, if we take the method that has been suggested, namely, to tax them as if the families were divided, then the hardship would disappear for the time being if, as my friend says, they will be rather in an advantageous position if the proposal as now put forward were carried. I have no doubt that in the course of the ensuing year they will come forward and submit memorials to Your Excellency to have them brought on the same footing as the firms. My friend says why not let us wait and see how this legislation affects the Hindu families, and if in the course of next year we find it has affected them seriously we shall consider the position? I for one am very grateful to my friend for that expression of opinion. But Your Lordship knows how, once a piece of legislation is placed on the Statute book, it is difficult to have it rectified or modified, and therefore I would go the other way. Why not treat them as you are treating firms, and if you find that there is great difficulty, or that there is a general desire for Hindu joint-families to come in and have the benefits that are secured under this Bill to firms, then you can easily legislate to bring them in?

"Then, My Lord, there is another question. My friend has said that he has used our own argument against ourselves, namely, as regards the overburdened Collector. I have some experience of these Collectors, and I know that they are very much overburdened with the work they have got to do. But what they have got to do under this amendment, if carried, is very little. The books of the firm must show, the books are generally evidence as to who are the members amongst whom the division will be made. So that my friend admits difficulty, and it is a very great difficulty affecting all Hindu families. Your Lordship can easily realise the gravity, the importance and the magnitude of a question like this, and in the course of legislation affecting only finance, we are doing what may very seriously affect Hindu life and the constitution of Hindu families. Therefore, in such a serious matter like this, I would urge on Your Excellency's Government to pause and accept for the time being the suggestions of those who may be entitled to speak either from their experience or their association on behalf of Hindu joint-families in this Council. I say the suggestions may be accepted. I do not say accept them for good, but accept them tentatively, and if you accept them tentatively, I do not suppose any great harm will be done. In the meantime your Lordship's Government will know by next year how that legislation affects a very large class of Your Lordship's subjects, and be able to deal with the matter in the course of the next Legislative Session."

The Hon'ble Mr. J. B. Brunyate:—"I am not sure, My Lord, that an important point in this matter has been fully appreciated. It underlies the figures which the Hon'ble Mr. Lowndes gave the Council a few moments ago. The general idea of the amendment is that, as an individual is exempted

in respect of 50,000 rupees of his income, so if a number of individuals are compelled to be dealt with together as a joint-family, it would be right to exempt as many times 50,000 rupees as there are members of the family. I think approximately that is the idea underlying the amendment. And the argument in favour of it is that either the family must remain undivided, in which case there is a disadvantage in not getting the individual exemptions of 50,000 rupees for each person, or the tax will force them into division, in which case you are indirectly affecting a social and religious practice. The point I wish to bring out is that, though that may on one side operate as a disadvantage to the Hindu family, a Hindu family has, on the other hand, a very special advantage. The advantage is that when you tax a Hindu family as a whole, you have to treat its expenses, its domestic and purely private expenses, its houses, it motor-cars, its food and everything else, even its marriage ceremonies, as if they were business expenses. So that I say the Hindu family is in this extremely advantageous position that, if it spends its whole income from year to year, as many individuals do, it will not be liable to a super-tax at all under this Bill. The Hon'ble Mr. Lowndes' figures showing liability to super-tax in the case of a joint-family were only arrived at by the assumption that there was a substantial saving of income every year. The particular assumption made I should think Hon'ble Members who are acquainted with the practice of Hindu joint-families would surely regard as a very fair one. The result of such assumptions is, that there would be some cases in which a family might gain by division; but, theoretically, there would be many cases, perhaps more cases, in which a family might gain by remaining joint. The whole matter becomes perhaps a little speculative, but the starting point of it all is that, whereas in all other taxation under this Bill, whether of a company, a firm, or an individual, private expenses are never allowed to be treated as expenses of business; in the case of a Hindu joint-family, its whole private expenses are treated as a deduction from the income which is taxable and, therefore, so far as it spends its income, it will pay no super-tax at all. I think that has a vital bearing on the whole matter we are now discussing."

The Hon'ble Sir William Meyer:—" The case has been so admirably put by the Hon'ble Mr. Lowndes and supplemented by my friend, the Hon'ble Mr. Brunyate, that I have only one thing more to say. The Hon'ble Mr. Basu talked pathetically of the way we were going thoughtlessly to upset the whole fabric of thousands and tens of thousands of Hindu families. Let me remind him once more that the agricultural families—and they are the great majority of the joint-families—are not affected at all. This Bill does not in any way tax agricultural profits. The families who are affected are the joint-families engaged in commerce, and they approximate much more closely than the ordinary families to the status of firms. We recognise that and are trying to treat them, as far as possible, in the same way as firms. In fact, as has been brought out just now by the Hon'ble Mr. Brunyate, we are treating them better, because we are allowing them to treat as deductible expenses everything that they spend. I must remind the Hon'ble Mr. Basu that, whereas the existing Act treated them simply as persons and would not give them any concession—a joint family would get no more concession than the Hon'ble Mr. Basu himself as a single individual or any other single individual in the country would get—we, so far from imposing any new hardship, have done our best to alleviate hardships. I cannot go beyond what, after very full consideration, we have embodied in the Bill. I must, therefore, oppose the amendment.".

The Hon'ble Rao Bahadur B. N. Sarma:—" My Lord, the true answer to my amendment was that suggested by the Hon'ble Mr. Lowndes towards the closing part of his speech, namely, that it was felt extremely difficult during the short time at the disposal of the Government to deal with this thorny question satisfactorily, and I was grateful for the promise that was given that the matter would receive his very sympathetic attention, and that the grievances, if any, would be redressed at the earliest possible date. After

that statement, I should have felt that it would be unnecessary to go into the various arguments that were advanced by him and the other Members on behalf of the Government in support of the position they took up on this Bill if they had not attempted to justify an indefensible position. I regret that it seems to have been considered the duty of the Government that they should support by weak arguments a bad case. They practically stated 'This is all that we can do this time. There is no use taking up time; we have not got the time to give to it.' I must congratulate the Hon'ble official Members upon making the worse reason appear the better by their ability and forensic skill. But I cannot help thinking, after listening carefully to the arguments that were advanced, that our position has not been in the slightest degree assailed. I am glad that the Hon'ble Mr. Lowndes has been able to appreciate the position of the ancient Brahmin law-givers in considering it to be economically wise—at any rate economically wise for them—to divide up Hindu families; but whether it be so or not, the question is, whether these Hindu families have been treated on the same footing as a firm or as an undivided Muhammadan family. There are two classes of cases the *Mitakshara* and the *Dayabhaga*. I likened the latter case to the case of a Muhammadan family as also to the case of a firm. Suppose a firm has four members and the profits are two lakhs of rupees. Each has Rs. 50,000. They utilise Rs. 10,000 and put the rest back as capital. If it is once converted into capital, you cannot tax it. It is not taxed at the source or at the tail. Well, I ask that the Hindu members of a family should also be treated on exactly the same footing. I say that in the case of an undivided family the position is exactly analogous to that of a Muhammadan family or a firm under those conditions, and, therefore, they should be put on the same footing as a firm in respect of income. It has been suggested that the Collector would find it difficult to ascertain what the share should be. ' With due respect, My Lord, I think the Collectors will be faced with another difficulty. Under the existing Hindu law, it has recently been decided by the Privy Council that the moment a member of a family says—not in writing necessarily—that he desires division it is divided, the status becomes a divided status, and you have only to come to the Collector and say 'we have divided.' The Collector must go into the evidence and ascertain when they became divided and so on. Therefore, an inquiry in the present state of the Hindu law would expose him to greater inconvenience and loss of time than if the Hindu family were treated on exactly the same footing as a Muhammadan family.

"Then it was thought that a considerable advantage would really be the result of the special treatment that has been accorded to the Hindu family. We ask, My Lord, for no favour; we ask for no discrimination in our favour. At the same time, we ask that there should be no discrimination against us. If the figures in a vast majority of cases are as suggested by the Hon'ble Mr. Lowndes, I for one would, on behalf of the general public, certainly protest against the Hon'ble the Finance Member treating Hindu families so leniently as to allow them to escape any of the just taxes to which they ought to be liable.

"Our position is that whatever it may be, whether advantageous or disadvantageous, they should be put on exactly the same footing as others. It would be useless to go into details now; we may argue the thing for hours; but we believe and can show that the Hindu joint-family will be placed in a position of considerable disadvantage by reason of this system.

"Then it was said that the expenses would be deducted in the case of a Hindu family, and that is one of the advantages which the system will confer upon the Hindu family. It will all depend on what the expenses of the family are. In the case of large incomes, it is notorious that the expenses bear no large proportion to the actual income of the family. In the case of small incomes they will bear a large proportion.

"I submit, therefore, that the earliest opportunity should be taken to revise this measure. I do not see why my amendment, as it stands at present, is unworkable in practice: all that it says is treat them as divided members.

There is no difficulty about that. Then it is a question of proportion, pure and simple, to find out what each member will get, and how much of it is taxable."

His Excellency the President:—"I understand that the Hon'ble Member has spoken to both his amendments?"

The Hon'ble Rao Bahadur B. N. Sarma:—"Yes, My Lord."

His Excellency the President:—"Now I put them successively."

The two amendments were put and lost.

The Hon'ble Mr. K. V. Rangaswamy Ayyangar:—"My Lord, I am very thankful to the Hon'ble the Finance Member for allowing a concession of 10 per cent. on the taxable income when the Bill for which I have given notice of amendments was under the Select Committee. I may say it is more to oppose the principle of fixing one rate for one, and another rate for the other that I have to insist on this amendment.

That the words 'of one anna in the rupee' be substituted for the words 'specified in the Schedule' in clause 3.

My amendment aims at fixing uniform or proportional rates for all incomes.

"I would be failing in my duty as representing the richer classes of my Presidency were I to keep quiet from raising my voice of protest against the principles of progressive or graduated taxation, which are embodied in the present Bill. Till last year the difference in the rates of tax on smaller and larger incomes was so slight that no protest against this graduation was made. But it was only last year that any noticeable distinctions were made, and most of my constituency have come to realise the burden of the disproportionate and large variations in the rates. I cannot even myself see any equity in fixing these different rates, unless it be that Government is only adopting the famous dictum of the Marquis of Salisbury, that 'the lancet should be directed to the parts where the blood is congested.' There is a natural obligation on citizens of all conditions to contribute in proportion to their revenue or their industry, and every privilege that tends to exemption from that contribution is, perhaps, unjust and abusive. The trend of opinion among the upper classes in India has justly been against the idea of progression. I may not be quite in agreement in this matter with the democratic section of my countrymen who are the voice of the land. And apparently it was also the very reason why the Finance Minister chose this tax, as he did not want to encounter opposition on this portion of his Budget. Such of them as are not affected by the higher rates may favour a policy of progression. Socialistic ideas may also favour what seems to be the mode of relieving the poorer classes from the oppression of excessive taxation. Some may also opine that this tax may affect only the commercial classes or the richer men, but it is to be noted that due regard should be shown to the equity and justice of others' interests. *Now* it may be a question of progressive super-tax, but *to-morrow* it will be a matter of graduated land tax. The richer classes have been already insulted as middlemen and things of that kind, out of apparent sympathy for the labourers, and now by the imposition of this graduated taxation, injury is also added.

"It may be argued that it is a question of 'least sacrifice' instead of 'equal sacrifice.' Even as regards equality of sacrifice, one eminent Economist refutes the theory, and says that the rich man's system of life on its material side is differently constituted from the poor man and that any comparison of the kind is absurd. His standard of necessities are greater in

geometrical proportion. £10 of a labourer's income may mean the loss of a certain amount of alcoholic drink, the richer man by having to give up £10,000 may lose the chance of purchasing an estate, or may have to abandon some social scheme that he could otherwise have carried out. Apart from these, taxation should be in return for the peace and security one enjoys, and also proportionate to the political privileges of each section. Under our benign British rule no one enjoys better privileges than another. We see Western politicians and reformers condemning some of the Malabar laws which fix capital punishment for one class, and exempt another favoured class from that punishment for one and the same crime. Now, one cannot understand why they do not extend their imagination a little further and condemn this differential method of taxation. This certainly trifles with the assurance of equal privileges to every individual and is akin to the confiscations of the primitive days whenever one man was presumed to have fattened himself very much. Progressive taxation is already being realised in different ways as by levy of customs duties on luxuries consumed by the rich, for example, on petrol, telegraphs, railways, as well as duties on the transfer of property and commercial transactions. Further, as observed by a high authority 'besides the unproductiveness of the progressive taxes or incomes it is entirely arbitrary.'

"As has been pointed out in the Select Committee report I am afraid this principle of graduated taxation will also be a check on industrial enterprise. It will cut at the root of saving and discourage it materially. One of the greatest drawbacks under which an Indian business-man has to work is the great, sometimes insuperable, difficulty of getting large capital, and to this is mainly due the absence of industries carried on on any large scale. While it should be the duty of Government to do all they could to increase the supply of available capital, we see them working on a principle which, however well it may sound in an academic discussion, is fraught with utmost mischief, when applied to a country like India, which, so far as its industrial organisation is concerned, has hardly yet emerged out of its shell. England had this tax only as late as 1910. She embarked on her progressive career long, long ago. We have to wait and see the recommendations of the Industrial Commission on this point. There is really not much of rejoicing over the preferential tariff imposed on cotton piece-goods, as many hold the opinion that this super-tax will partly neutralise those benefits.

"If it is held on account of emergent State necessities and on account of the proposal to contribute that breathless sum, as the 'Madras Times' says, of 15,000 lakhs to the mother country, these taxes have to be imposed; it is suggested, considering the extreme poverty of the land, that that gift should be reduced to a bearable sum. Though it may look graceless to stand in the way of this patriotic measure, yet the enervating thought of the economic position of our land and the check it would have on every progressive movement, makes me bold to protest against this contribution."

The Hon'ble Mr. M. B. Dadabhoy:—"My Lord, I rise to a point of order. The Hon'ble Member is not confining himself to the amendment before the Council."

His Excellency the President:—"Yes; I trust the Hon'ble Member will not dwell at too great length on that point, but will confine himself to his own amendment."

The Hon'ble Mr. K. V. Rangaswamy Ayyangar:—"Even then, our Finance Member will not be at his wit's end to devise some new ways of taxation which may be equitable and proportionate. I have to put in a word of caution against introducing all these socialistic principles in a conservative country like India, and the Government may have to reproach themselves for giving room for suspicion among the wealthy and influential classes that

they are being accorded an unjust and prejudicial treatment. With these remarks, I beg to move the amendment standing against my name. I think I am not aiming at too much."

The Hon'ble Sir William Meyer:—"My Lord, I do not propose to detain the Council long. The Hon'ble Member wants practically to confine our super-tax to one anna in the rupee. Well, as I told the Council when I introduced the Financial Statement, our estimates of yield are necessarily rather uncertain at present, but of course we have gone on the best material we had, and we thought of other things besides the existing scale. I calculate, roughly speaking, that by making the taxation stop at one anna in the rupee, we should throw away at least a half of the revenue of £1½ million that we expect from this tax. Well, even with this revenue, we only have a surplus of £130,000 at the end of the year. The money, that is, is fully allocated for the purposes explained in the Budget. Therefore, if this amendment were carried, it would mean that that money would have to be found in other ways. I explained in introducing the Financial Statement why we have drawn the extra revenue we required largely from super-tax, because we think that the rich are the persons best able to bear taxation. The Hon'ble Member has made a very refreshing oration in these democratic days: He says, 'Pity the unfortunate rich, and for Heaven's sake, if you tax anyone, tax the poor.' That is the gist of the Hon'ble Member's speech. Although as I say I welcome it as an original contribution to the debate, I cannot in the least sympathise with it, and so long as I am here as Finance Member—I think I may well say so long as Your Excellency is here as Viceroy—we are going on the principle of taxing the people who are best able to bear taxation. I cannot accept the amendment before the Council."

The amendment was put and lost.

The Hon'ble Mr. K. V. Rangaswamy Ayyangar:—"My Lord, I beg leave to withdraw the amendment standing in my name, namely, 'that the Schedule to the Bill be deleted.'"

The amendment was, by permission, withdrawn.

The Hon'ble Rai Sita Nath Ray Bahadur:—"My Lord, I beg leave to withdraw the amendment standing in my name, namely:—

That the following Schedule be substituted for the existing Schedule:—

In respect:—

(1) of the first fifty thousand rupees of taxable income—nine pies in the rupee;

(2) of the next fifty thousand rupees of taxable income—one anna in the rupee;

(3) of the next fifty thousand rupees of taxable income—one and one-fourth annas in the rupee;

(4) of the next fifty thousand rupees of taxable income—one and a half annas in the rupee;

(5) of all taxable income over two lakhs of rupees—one and three-fourth annas in the rupee'."

The amendment was, by permission, withdrawn.

The Hon'ble Sir William Meyer:—"My Lord, I move that the Bill, as amended by the Select Committee, be passed."

The motion was put and agreed to.

The Council adjourned for lunch.

AFTER LUNCH THE HON'BLE THE VICE-PRESIDENT TOOK THE CHAIR.

THE FINANCIAL STATEMENT, 1917-18.

FIRST STAGE.

The Hon'ble Sir William Meyer:—"Sir, I beg to open the first stage of the discussion on the Financial Statement for 1917-18."

RESOLUTION *RE* INDIA'S CONTRIBUTION TO THE WAR.

The Hon'ble Pandit Madan Mohan Malaviya to move the following Resolution :—

'This Council recommends to the Governor General in Council that, in modification of the arrangement announced by the Hon'ble the Finance Member in paragraph 49 of his speech introducing the Financial Statement, the Government of India do offer to His Majesty's Government the entire amount of the Indian War Loan and 6 millions a year for the period of the war out of the proceeds of the additional taxation imposed this year and last year.'

"Sir, in rising to move the resolution of which I have given notice, I desire at the outset to make it perfectly clear not only on my behalf, but also of a considerable body of my non-official colleagues, that we are ready to bear every sacrifice which we may, in reason, be called upon to make to help England to triumph in the mighty struggle in which she has been engaged in defence of the cause of liberty and righteousness, to the extent which our limited resources and a just appreciation of the circumstances of our people render practicable. It is with no small pride and satisfaction that we have recalled the help which this country has already rendered to England in the hour of her trial. They have been well recounted by the Hon'ble the Finance Member to whom India is deeply indebted for the sagacity and courage with which he, in the face of such unreasoning criticism, has safeguarded her honour and interest during the last three years. It should hardly be necessary for me to refer to them again. But men's memories are short, and there has been a persistent and regrettable attempt on the part of some people and papers, both here and in England, to belittle the support which India has rendered to the cause of the Empire and of the Allies in this unprecedented war. While we feel grateful that our trade and security have been materially assisted by the command of the sea established by His Majesty's Navy, it seems to be forgotten in some quarters that the timely help of the troops and officers, whom India had trained and maintained for years and at enormous expense, was of inestimable value in saving the cause of the Allies from irreparable injury in the early days of the war, and that but for that help the prestige of the Empire might have been in serious jeopardy in the East. Though the actual numbers have not been published, I believe I am not wrong in saying that, since the war began, India has placed over 250,000 trained soldiers in the service of His Majesty's Government. She has rendered invaluable aid by furnishing supplies of all sorts—food-stuffs, clothing, ordnance, equipment and munitions; by training and despatching horses; by lending to the Admiralty a great part of her Royal Indian Marine fleet; and by fitting out transports. Apart from the large private subscriptions towards the several Relief and War funds. As the Hon'ble the Finance Member said in his statement the other day, our total net contribution towards the cost of the war in respect of the Expeditionary Forces is about £11½ million up to the end of the current year, and £4 million more will be added to it by the end of the next financial year. Besides this, owing to the war, our military expenditure has risen from £20½ million in 1914-15 to £25·4 million, and will amount to close on £26 million in 1917-18. We have also had to incur expenditure to the extent of £1,200,000 in Persia owing to the political situation set up there by the war. In addition to all this, we have since the beginning of the war put £46½ million into British war securities, of which,

134393

£35 million represents wholly new investment. When our unkindly critics seek to belittle our contributions to the war by comparing them with those of the self-governing Dominions, they seem to forget that unlike the Dominions, we have throughout our connection with the Empire, borne our own share of the military burdens. All this has been done not only by maintaining a high level of taxation, but by raising it higher and higher. And is it too much to ask that those who desire that India should make a further direct contribution to the war, might, in fairness to her, say so without belittling what she has already done?

"Sir, we all know that the question of such direct contribution by means of a special war loan, had been pressed upon the Government of India during the last two years, and that last year they set their face resolutely against it. And if I may say so, they had the best of reasons for doing so.

"In my humble judgment the most substantial of those reasons have neither disappeared, nor have they lost their force. The only change that has taken place is that £11½ million of our debt has been paid. But the Secretary of State and the Government of India have now come to the conclusion that it is expedient to float such a loan. That decision must now be carried out. In view of the special circumstances of the case, I support the proposal that we should make a further direct contribution to the war. I am at one with the Government here. But, in the first place, I feel, Sir, that I am bound in duty to enter a respectful protest against the action of the Government in arriving at such a momentous decision without giving this Council an opportunity of expressing an opinion upon its proposal. The Government have in doing so relied upon two Resolutions passed by this Council. I submit that with those resolutions before them, the Government had no reason to apprehend that the Council would not deal fairly with a proposal to render further direct aid to England in the war. Under the constitution which governs us all legislation for additional taxation must be passed by this Council. And though the Council has not the right to vote on the Budget, we have the right to move Resolutions recommending changes in the Budget. I much regret to have to say it, but in taking upon themselves to commit the country, without consulting this Council, to the burden of £100 million, the Government of India have acted in a manner which is repugnant to the spirit, if not to the letter also, of the constitution.

"In the second place, Sir, it cannot be denied that the burden is a stupendous one. It will require special high taxation to the tune of £6 million a year to be maintained for the long period of over 30 years, to discharge it. Not to talk of the United Kingdom, if we were half so rich and prosperous as the self-governing Dominions, we would have gladly undertaken such a burden. But unfortunately India is very poor. Her resources are limited. Her vital domestic needs are great and pressing. The vast mass of her population suffers for want of education. Her agriculture and industries badly need to be developed. Her extreme poverty, which is the normal condition of the vast majority of the people, and which keeps them on a low grade of vitality and thus exposes them to disease and suffering, requires to be ameliorated. For many years we have been pressing these problems of internal improvement on the Government of India, and urging them to frame large schemes, commensurate with the requirements of the situation, to carry out the necessary measures of improvement, and we have always been met by the reply that funds are not available for the purpose. We have also to remember, as the Hon'ble the Finance Member told us last year, that 'the termination of this war, when it comes, will leave us with heavy financial demands on us,' and 'that the experiences and lessons of the war must also add in some directions to our permanent military charges.' He was good enough also to remember that it was desirable that 'we should be in a position, when peace returns, or as spon after as may be, to provide further funds for such beneficient purposes as the improvement of education and sanitation.' But the proposals of the Budget leave us face to face with a situation in which for the lifetime of a generation internal improvement of even the most necessary kind will be considerably hampered. In view of all these considerations—and I am speaking on this point entirely for myself—as I have indicated in my Resolution, in my humble opinion the

measure of our further direct contribution to the war should have been limited to the proceeds of the Special War Loan which we are raising, and which we should all do our utmost to promote, and to the amount of six millions a year raised by the taxes imposed this year and last year, to be paid till the end of the war year. We should thus render the utmost help that we can to England by offering her as much cash as we can. But happily England does not stand in need of the support of our credit, and in my opinion the question as to how far India 'should also undertake the service of a portion of the existing war debt,' should have been left over for consideration at the end of the war in a clearer atmosphere when we should be able to take a better perspective of our fresh responsibilities of the future. But I recognise, Sir, that it is no use urging these considerations now. The Government of India and the Secretary of State have, as I have said before, come to the conclusion that in the larger interests of the Empire, with which her own political and economic future is so closely bound up, India should make 'an ultimate total special contribution of £100 million to the war,' and having given the matter my most earnest consideration and discussed it with several of my colleagues, I have come to the conclusion that we should loyally accept this decision for the present, treating it as a war measure and remembering that England is fighting for the triumph of the principles of righteousness, liberty and justice, upon which the future happiness of all nations will so largely depend.

"I have done, Sir. In conformity with what I have said I do not press my Resolution."

The Hon'ble Sir William Meyer:—"I think it would have been more graceful on the part of my friend the Pandit if, intending as he did to withdraw his Resolution, he had withdrawn it without a speech. The effect is that he makes certain statements, which I in no way accept, and then withdraws. He reminds me of the famous old cartoon in *Punch* representing Lord John Russell as a boy who wrote 'No Popery' on the wall and then ran away. As the Hon'ble Pandit, however, has withdrawn, I shall not go into the merits of the case, for I think his action shows that he is himself convinced that his Resolution would have received very little support in this Council if it had been pressed to a division."

The Resolution was, by permission, withdrawn.

The Hon'ble the Vice-President:—"The next Resolution on the agenda paper is the Hon'ble Mr. Sarma's, namely:—

'This Council recommends to the Governor General in Council that the entire amount of the Indian War Loan and six millions a year for the period of the war out of the proceeds of the additional taxation imposed this year and last year be utilised, if sanctioned by Parliament, in helping the successful prosecution of the war.'

As it is practically in the same terms as the Resolution which the Hon'ble Pandit has withdrawn under rule 14, the question cannot be discussed again under rule 20. I will therefore call on the Hon'ble Mr. Chanda."

RESOLUTION *RE* GRANT FOR A MEDICAL SCHOOL IN SURMA VALLEY.

The Hon'ble Mr. Kamini Kumar Chanda moved the following Resolution:—

'This Council recommends to the Governor General in Council that the grant to the Assam Government be enhanced by Rs. 1,00,000 (one lakh only) under the head of Medical expenditure for the establishment of a Medical School in the Surma Valley.'

"Sir, the position in this matter is this. There is a keen desire for a medical school in the Surma Valley in Assam. The want is very keenly felt by the particular circumstances of the Province. In the Surma Valley full one-half of the population of the old Province consists of Bengalis, and they have felt some difficulty in getting admittance in any existing medical institutions in Eastern Bengal or elsewhere. In Eastern Bengal, although they

were Bengalis, they were told that they should go back to their own Province of Assam. In Assam, although they are in the Province of Assam, they are not Assamese, and therefore there are difficulties which exist in regard to Assamese boys as to a medical school, so the position of the people of Surma Valley is very unfortunate. In fact, it is described by the proverb about the washerman's dog :—

' Ná ghar ká ná ghát ká.'

" This was brought to the notice of the Local Administration during the Budget debate of 1913 when the Inspector-General of Civil Hospitals, the Hon'ble Colonel Campbell, at once supported the proposal, and ultimately the matter came up to the Government of India on the recommendation of the Local Administration. But unfortunately shortly after the war broke out and the matter could not be proceeded with. There it remained for some time, but in the meantime the position has become more acute. Private medical institutions in Bengal, which admit a number of boys from Surma Valley, have now been penalised by recent legislation, and therefore there is no room for them. I thought I could ask the indulgence of the Hon'ble the Finance Minister and this Council to give a little money to start a school in Sylhet, the cost being thrown on the Provincial revenues. But unfortunately, Sir, last evening I received a telegram from the Assam Administration saying that they are not prepared to bear the cost of the recurring expenditure involved. In this view I do not think I ought to take up the time of the Council by press ing this Resolution, and I ask permission to withdraw it."

The Resolution was, by permission, withdrawn.

The Council adjourned till Saturday the 10th of March at 11 A.M.

The following Bill was introduced in the Indian Legislative Council on the 12th March, 1917:—

No. 9 OF 1917.

A Bill to impose a tax on goods carried by railway or inland steam-vessel.

WHEREAS it is expedient to impose a tax on goods carried by railway or inland steam-vessel; It is hereby enacted as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Freight (Railway and Inland Steam-vessel) Tax Act, 1917.

(*2*) It shall come into force on the first day of April, 1917.

Definitions.

2. In this Act the expression "administration" and the expression "inland steam-vessel" have the meanings respectively attributed to them by the Indian Railways Act, 1890, and the Inland Steam-vessels Act, 1917; IX of 1890. I of 1917.

"prescribed" means prescribed by rules made under this Act;

"vessel" means anything made for the conveyance by water of human beings or of property.

Imposition of tax on goods carried by railway or inland steam-vessel.

3. (*1*) Subject to the provisions of this Act, there shall be levied and collected on goods carried by—

(*a*) any railway in British India, or

(*b*) any inland steam-vessel in British India, a tax at the rate specified in that behalf in Schedule I.

Explanation: goods carried on a vessel towed by an inland steam-vessel shall for the purposes of this Act be deemed to be goods carried by the inland steam-vessel.

(*2*) The tax imposed by sub-section (*1*) shall be collected by means of a surcharge on freight, by the administration of the railway or the owner of the inland steam-vessel by which the goods are carried, and shall be paid to the prescribed authority in the prescribed manner within the prescribed time, after making such deduction as may be prescribed to meet any expenses incurred in connection with the collection of the tax.

(*3*) The owner of every inland steam-vessel referred to in sub-section (*1*) shall prepare and deliver, or cause to be prepared and delivered, to the prescribed authority, each quarter, a return, in the prescribed form, of all goods carried by such vessel in respect of which the tax imposed by that sub-section is payable, and shall subscribe, at the foot of such return, a declaration of the truth thereof:

Provided that where goods are deemed to be carried by an inland steam-vessel, the owner of the towed vessel shall, if so required by the owner of the inland steam-vessel certify the particulars of the goods carried on the towed vessel, and shall subscribe at the foot of the certificate a declaration of the truth thereof, and in that case the owner of the inland steam-vessel may incorporate all or any of such particulars in his return and shall only be bound in respect of such particulars to subscribe to his return a declaration that they are true to the best of his knowledge and belief.

(*4*) Every such return shall be delivered to the prescribed authority within thirty days after the end of the quarter to which it relates.

Rule-making power.

4. (*1*) The Governor General in Council may, by notification in the Gazette of India, make rules for carrying out the purposes of this Act.

(*2*) In particular and without prejudice to the generality of the foregoing power, the Governor General in Council may make rules—

(*a*) regulating the collection of the tax imposed by this Act, and providing for the authority to which, and the time and manner in which, such tax shall be paid,

(*b*) prescribing the form of the returns required by this Act, and the particulars to be contained therein, and the manner in which the same is to be verified,

(*c*) prescribing any other method than actual weighment for ascertaining the amount of the tax imposed by this Act, and

(*d*) providing for any other matter which by this Act is to be prescribed.

(*3*) In making any rule under this section, the Governor General in Council may direct that a breach of it shall be punishable with fine which may extend to five hundred rupees.

Offences.

5. The offences mentioned in column 1 of Schedule II shall be punishable to the extent mentioned in column 2 thereof with reference to such offences respectively.

6. The Governor General in Council may, by notification in the Gazette of India, exempt, either in whole or in part, and either absolutely or subject to such conditions as he may prescribe, any goods or class of goods from the tax imposed under this Act.

Power to exempt.

SCHEDULE I.

[*See section 3.*]

1	2	3
Goods.	Unit.	Rate.
Coal, coke, and firewood	Per Indian maund of $82\frac{2}{7}$ lbs. avoirdupois weight.	One pie.
All other goods	Per Indian maund of $82\frac{2}{7}$ lbs. avoirdupois weight.	Two pies.

SCHEDULE II.

[*See section 5.*]

1	2
(1) Omitting to make any return or certificate referred to in section 3 (*3*) or refusing to sign or complete the same.	Fine not exceeding rupees one thousand.
(2) Making and delivering any such return or certificate containing any statement not true to the best of the information and belief of the person making the same.	The penalty provided in section 177 of the Indian Penal Code for furnishing false information to a public servant.

XLV of 1860.

STATEMENT OF OBJECTS AND REASONS.

ACCORDING to the scheme of taxation described by the Hon'ble Finance Member in his speech presenting the Financial Statement for 1917-18, it is necessary to obtain as a war measure an additional revenue of about £500,000 from goods traffic and the object of the present Bill is to give effect to that purpose. In view of the competition between inland steamers and the railways, it is considered that it is only equitable to apply the same taxation to traffic carried by inland steamers and vessels towed by them as to railway borne traffic. For the surcharges which it is proposed to levy on goods traffic low rates have been adopted, as the Hon'ble Finance Member said, to reduce as far as possible the necessity of allowing variations or exceptions, but power is taken by the Bill to allow partial or complete exemptions, and the Government propose to use this power to exempt consignments which are less than one maund in weight, or which are carried for a distance of ten miles or less.

R. W. GILLAN.

DELHI:
The 9th March, 1917.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915 (5 & 6 Geo. V, Ch. 61).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Saturday, the 10th March, 1917.

PRESENT :

The Hon'ble MR. G. R. LOWNDES, *Vice*-President, *presiding*, and 52 Members, of whom 46 were Additional Members.

* * * * * * *

FINANCIAL STATEMENT, 1917-18.

SECOND STAGE.

The Hon'ble Sir Claude Hill opened the second stage of the discussion on, and introduced the following heads of, the Financial Statement for 1917-18 :—

Revenue.	*Expenditure.*
Land Revenue.	Land Revenue.
Provincial Rates.	Provincial Rates.
Forest.	Forest.
Agriculture.	Agriculture.
Scientific and Miscellaneous Departments.	Scientific and Miscellaneous Departments.
Irrigation.	Famine Relief.
Civil Works.	Protective Works, Irrigation.
	Irrigation.
	Civil Works.
	Capital Outlay on Irrigation.

" Sir, in introducing the Budget heads which stand against my name, namely, Land Revenue, Provincial Rates, Forest, Agriculture, Scientific and Miscellaneous Departments, Famine Relief, Protective Works, Irrigation, Civil Works and Capital Outlay on Irrigation, I do not propose to amplify the remarks made already by the Hon'ble the Finance Member in regard to Land Revenue and Famine Relief seeing that I have, I am afraid, some lengthy remarks to offer on the subject of preparation for future development. I wish, however, to take this opportunity to thank my Hon'ble friend Sir William Meyer for the co-operation which he has always shown in forwarding the preparation of such schemes as I was able to justify on administrative grounds for the future development of Agriculture, Forests and so forth.

" First of all, however, I should like to mention that I have recently had the assistance of certain Additional Members of this Council in considering certain forest, revenue and agricultural matters, they having kindly consented to form a sort of conference whom I was able to consult on various points. We have already had one meeting, and I may say that I have had the greatest possible assistance from the suggestions which Hon'ble Members have made on that occasion. I only mention the matter here because I am afraid that, in regard to those Members who did attend that conference, some of the remarks which follow will be necessarily familiar.

" In regard, first of all to forests, although the war has curtailed our revenue somewhat, we have had welcome recoveries in certain provinces. For

example, in Coorg, where an increase in the price of sandal wood has occurred, we have realised a considerable actual increase on the revenue of past years. Similarly, the development of the resin industry in the Punjab has given us a welcome addition to revenue in that province. On the other hand, in Burma, a fall in the value of teak has resulted in considerable loss. Meanwhile, however, we are pushing on as rapidly as possible the consideration of schemes for the ultimate development of forests.

" As an example I may mention that an extensive project is under consideration for the development of the north and middle Andamans departmentally, and present estimates show, I think conclusively, that as soon as we are able to start financing that scheme we shall enter upon a project which will be of large profit to the State. In Coorg also, by the construction of two forest tramways, we hope scientifically to exploit the Coorg forests, and so add considerably to the resources of the Empire and the revenues of Government. The Government of India—I am speaking now with special reference to a question which my Hon'ble friend Mr. Wacha desired to put in this Council—are fully alive to the immense potentialities of the forest resources of this country, and I can assure him that under the able administration of Mr. Hart, the Inspector-General of Forests, the commercial side of forest administration will not be lost sight of.

" Last year I referred in this Council to the fact that we proposed to bring out from England a tanning expert to investigate the possibility of the development of new methods of tanning. Mr. Pilgrim has since arrived and has been at work in India for nine months now. At the present moment the tanning industry is of peculiar importance to India owing to military requirements, and the fact that we have got in India now—although owing to delay in the receipt of plant, etc., he has not been able to get fully to work—the fact that we have got a tanning expert in India is likely to prove of great value in the development of the leather industry, with special reference immediately to Army requirements.

" The utility and value of getting out and employing such specialists has been demonstrated by the results which have already been arrived at in connection with the bamboo pulp paper industry. We have had that subject examined carefully, and I think I may say that, but for the intervention of the war, we should already have had factories working or, at all events, approaching completion; and I think that we may confidently hope that, as soon as the war ceases, we shall be able to proceed immediately to the erection of the necessary plant for the production of bamboo paper pulp, with the result, I hope, of a great access of strength to the paper mill industry in this country.

" Last year I also referred to the urgent need for strengthening the establishment in all provinces, and I may mention to-day that the question of forming a special cadre of forest engineers—a project which, I think, will appeal specially to my Hon'ble friend Mr. Wacha—is now receiving attention and has been referred for the opinion of Local Governments. Hon'ble Members are, of course, aware that forest revenues have been provincialised and that, except in such areas as Coorg and the Andamans, the Government of India cannot take action without reference to Local Governments. The urgent necessity, however, of scientific exploitation of the forests, and the consequent need for entertaining qualified engineers for that purpose, have been fully recognised, and I feel that I can say with some confidence that Local Governments are likely to respond very readily to the suggestion which has been made to them to entertain the services of such officers.

" Both in agriculture and in forest administration, the value of science, as the true basis of industrial progress, is now fully recognised, I think, on all hands, although we sometimes meet with criticism questioning whether any practical results follow; but the work which is being done in the Forest Research Institute—an institute which, I hope, Hon'ble Members who are interested in the subject will make a pilgrimage to see—ought to be of the greatest possible value to the Government and the country.

" It must, however, be admitted, I am afraid, that Government have not always taken the public, or been successful in taking the public, whatever

their intentions, fully into their confidence in regard to what is being done, whether in the Research Institute or in forest matters generally; and the Department, in order to remedy this state of affairs, are shortly bringing out a publication dealing with the work of the Forest Department in India on more or less popular lines which, I hope, will give very valuable information to those Hon'ble Members and the general public who are interested in the subject, and will, to a certain extent perhaps, remedy the tendency of Government to hide its light under a bushel. I may mention—I shall come to that later on when I deal with agriculture—that in regard to agricultural publications too, we have perhaps failed to popularise and make generally known our work. But I should like to make one observation, and that is this, that Mr. MacKenna has recently, in reference to two publications to which I shall shortly refer, appealed directly to the editors or proprietors of various leading Indian journals to take note of our efforts to produce a more popular publication, and has asked for criticisms and suggestions and so forth. I regret to say that so far the press has been stonily silent and has given no response at all.

" Turning now to Agriculture, the first subject to which I propose to refer is agricultural education. This Council will remember that last year I explained that we had then recently had a conference on agricultural education in Pusa in February 1916, and I gave an outline of one or two of the more important resolutions which that conference had come to. Those resolutions were, as I then foreshadowed, referred to Local Governments for opinion, and we have since received their views, which are under consideration. Well, Sir, it seems to me that we have now reached a stage at which it is not only possible but necessary that the Government of India should formulate and promulgate their conclusions on this important subject; and I propose, in order to lead up to the possibility of such promulgation—and I have in this His Excellency's concurrence—to convene a conference on agricultural education to assemble in Simla some time during the ensuing summer, to be composed of expert agriculturists, expert educationists and some, I hope, Additional Members who are interested in the subject and whom I shall invite; and I hope that with their assistance the Government of India will be placed in a position in which they can formulate their conclusions in regard to a definite policy and inculcate them upon Local Governments. I wish to mention that, in arriving at this stage of our proposals, I have received the most valuable assistance from my Hon'ble friend Pandit Madan Mohan Malaviya, to whose suggestions I am very greatly indebted for the scheme of consultation which I have outlined.

"Last year I referred to the meeting of the Board of Agriculture which had taken place shortly before the meeting of this Council. The Board, as this Council is aware, only meets biennially, and therefore there was no meeting of the Board this year. Such meetings are, however, of such value for scientific purposes that, on Mr. MacKenna's advice, I arranged this year to have sectional meetings of some of the scientists under the Agricultural Department, and there has recently been held, under Mr. MacKenna's presidency, a meeting of entomologists and mycologists, which Mr. MacKenna informs me has got through a very large amount of very useful work.

" From time to time, as I hinted just now, the press seems inclined to question whether practical agriculture gets the advantage from scientific research to which ordinarily it should be entitled. I think this criticism proceeds, partly at all events, from ignorance of what is being done; and, as I have already said, I do not reproach our critics on account of that ignorance, because I do not think we have always taken the steps necessary to enlighten them. But we have recently issued two publications, one the 'Agricultural Journal of India' which issues quarterly, and one the 'Report on the Progress of Agriculture in India.'

" Well, I hold those two publications in my hand, and I would suggest that those Hon'ble Members and the general public who may be interested in these subjects and wish to make inquiries and inform themselves regarding them and as to the scientific progress that has been made and so forth, should subscribe regularly to our Agricultural Journal. I am afraid I am a bad advertiser, but I appeal to Hon'ble Members not only to do this, but also, if they will, to send me any criticisms or suggestions they may have to make regarding the

further improvement of these hand-books. They are profusely illustrated and quite neatly got up, and I hope Hon'ble Members will appreciate the change from the ordinary foolscap blue-book type of publication.

" With regard to the question whether any practical benefits have resulted from scientific investigations, I think I can give one or two practical and conclusive answers based on information which Hon'ble Members will get from Chapter III of ' Progress of Agriculture in India.' For example, Pusa Wheat No. 12, as demonstrated by Mr. Howard, has resulted in an increased profit to cultivators of roughly speaking Rs. 12 an acre as compared with those cultivators who cultivate the ordinary *desi* wheat. Needless to say, this represents a very, very large excess of profit to cultivators of wheat. I should like to take this opportunity, in reference to Pusa wheat No. 12 and its spread, to thank those zemindars and landholders of the province of Oudh who have been foremost in helping the Department to popularise this wheat and to spread its cultivation, and in particular my Hon'ble friend, Raja Sir Rampal Singh Bahadur, who has placed under the supervision of the Department about 50 acres to be used for a seed farm. I had the pleasure of visiting that seed farm a little while ago and also seeing on my way through the Rai Bareilly district, the progress that has been made. The co-operation of the zemindars in Oudh in this matter and the public spirit displayed is deserving of the highest commendation, and I hope their example will be followed in other parts of India.

" In reference to a question which was asked in this Council which seemed to imply that we were wrong in sending home parcels of wheat for milling experiments in England, to which I replied by a reference to the answer given to a similar question in the United Provinces Council, I should like to explain that it is quite obvious that if we can secure that any wheat from India is graded and standardised and recognised in Europe as being of a particular quality, we shall by those means popularise the product and shall also eventually, and at no distant date, secure to the cultivator a very much more permanent as well as enhanced return. I should have hardly thought that that required demonstration, since it seems to me quite an obvious reply, and the small quantities which have been sent home, hardly diminish the rate of development of the sowing of this seed, at all events not comparably with the advantages which are inherent in standardising it at home. There is, however, another justification and another reason for sending these samples home, and that is this. This Council are aware probably that Indian produce in the past, seeds and so forth, have had a very bad reputation owing to the practice which used to prevail almost universally of mixing a certain amount of dirt with the produce; so much so that eventually and for a large number of years, it was necessary in computing the value of Indian produce, to *assume* that it contained a certain percentage—averaging 2 per cent.—of dirt. This, I hope, is a thing of the past, but I think the very existence of that practice within recent years is a sufficient justification, if further justification were needed, for taking steps to assure the English miller that what purports to be Pusa wheat No. 12 is really that, and not mixed with a certain amount of impurity.

" Similarly, in regard to cotton, scientific experiments, especially in the Central Provinces, have resulted in a great improvement in the development of short staple cotton, an improvement which is computed to have given the ryots a profit of approximately R15 an acre. This spread over the whole area means that the ryots in the Central Provinces are benefited to the extent of very many lakhs of rupees. Again, the Punjab, No. 4-F. American cotton has been in the past year sold at a premium of R2-8 to R4 a maund, and is now making rapid strides in popularity. The importance to the Empire of developing the out-turn of long staple cotton is such that the Government of India have determined, or at all events have proposed, and I hope it will result in determination, to convene next October a special committee to examine the subject of long staple cotton and to visit the chief cotton growing centres and ginning factories and so forth, and to report to the Government of India as to the best means of securing the extension of long staple cotton cultivation.

"This question of long staple cotton brings me to the question of marketing, which is a subject of great difficulty to which the agricultural departments

have given a great deal of attention. We of course desire that the cultivator should reap the full benefit of any improvements which we can devise for him in the matter of cultivation; but occasionally, and especially in regard to cotton, efforts are made by buyers to defeat our object in that regard. There is an instance that I may mention; last year at Lyallpur, a ring of buyers endeavoured to defeat our desire to secure adequate prices for American cotton, long staple, grown in the Punjab; and the Agricultural Department of the Punjab had to organise special auction sales, and succeeded, as I have just said, in securing that cultivators realised a premium of Rs. 2-8-0 to Rs. 4. This resulted mainly through the co-operation of certain firms, such as Messrs. Tata & Co. That will illustrate the difficulties which we have to contend with in the matter of securing to the cultivator the advantage which is his due. I do not wish to claim these achievements in the matter of cotton and wheat as conclusive or final or as being so creditable as to disarm criticism. They really are much more the earnest of what we hope to do. The potentialities emphasise of course the need—and this is a very important point —for securing the services of the best possible men for the agricultural department, and this aspect of the case reacts upon the question of recruitment. This was one of the subjects which we discussed at the informal conference to which I have referred, and I think all Hon'ble Members came to the conclusion that the position was roughly, that, first of all, we must secure for the agricultural department in India the best possible and most devoted workers, irrespective of race, creed or anything else, but secondly, subject to that proviso, which will exist until we have advanced somewhat further along the road of progress, we should make every effort to recruit and to find suitable Indians for those posts. This is a very important matter which will of course have to be taken into consideration at the conference which I propose to hold in Simla. But I think Hon'ble Members and the general public could very largely assist in this matter if they would only urge upon the people at large the desirability of some of the best brains of the country taking up such subjects as agriculture and forestry in which so much remains to be done to develop the potential prosperity of the country, and I hope Hon'ble Members will endeavour to make known this aspect of the case. We need the best brains we can get.

"My Hon'ble friend, Mr. Wacha, asked a question in this Council on the subject of agricultural engineering, and I was compelled to reply to him that I thought that the stage to which agriculture had advanced in India did not justify us in proposing to establish separate special agricultural engineering institutes at present.

"I hope my Hon'ble friend will agree with me in this conclusion, but I hope that this development will follow in due course as soon as we have organised ourselves to the stage when we can provide for specialisation of that kind. In the meantime we are sanctioning the strengthening of the staff at a considerable rate as the following will show. During the year we have sanctioned an Entomologist for the Punjab, a Soil Phycisist for the Bombay Presidency, a special Deputy Director of Agriculture for cattle breeding and dairying in Madras, a fourth Deputy Director for cattle breeding in the United Provinces, a third Deputy Director of Agriculture for Bengal, and the continuance for a further period of five years of the appointment of Assistant Economic Botanist in the United Provinces. Most of these appointments of course have to remain vacant, not only because of the economies imposed by the war, but owing to the unfortunate fact that we cannot find recruits at the present time to fill the posts. As soon as the war is over, we hope that there will be plenty of recruits, and that we shall get the staff needed. Not only have we sanctioned these individual posts, but we have taken the initiative in another direction, that is, by suggesting to Local Governments the desirability of each province being self-contained in the matter of its Agricultural Department; in other words, that each province should be able on its own account and with its own staff to carry out all the experiments and processes that may be necessary for its own agriculture, whether it be agricultural education or experimentation or demonstration; and we have suggested a schedule minimum to Local Governments which, I feel fairly confident, will be responded to.

" I now turn to the Silk industry. I mentioned last year that we had obtained the services of Mr. Maxwell-Lefroy to investigate the silk industry of India. Mr. Maxwell-Lefroy has written what, I hope, will prove to be a monumental report on the silk industry. Unfortunately he was interrupted, unfortunately that is, for the Agricultural Department, by a call made on him by the military authorities to proceed to Mesopotamia to endeavour to grapple with the plague of flies which prevailed there last year. Mr. Maxwell-Lefroy was absent for two months, and the result was that he was unable to proceed to Japan to complete the tour which he had projected in investigating the silk industry. He had rather hurriedly to compile his report, but I hope his labours, coupled with those of Mr. Ansorge, who co-operated with him on the commercial side, will prove of great value to the country. The only definite conclusion (I have not seen his report in its final form) which I know that Mr. Lefroy has come to is that the silk industry, as such, cannot stand by itself probably, in any province, and must be regarded as a sort of bye-product of the ordinary agricultural work of the cultivator. That is a proposition which does not affect the question of course or the desirability of resuscitating the industry, but it is a material fact as to the methods by which such resuscitation may best be effected.

"Last year I also mentioned that we proposed to secure the services of a special indigo chemist for the investigation of the indigo industry in regard to the methods of production of the natural indigo. Mr. Davis has been at work here for a year, and has already succeeded in producing a standardised paste of natural indigo, samples of which have been sent to England for test. The reports of the results of these experiments must be awaited; but his provisional results coupled with other experiments which he has made in the matter of vatting in conjunction with the Imperial bacteriologist, have raised in the minds of the Government of India the sincere hope that it may yet be possible to re-establish the natural indigo industry on a footing in which it will be able to compete on equal terms with synthetic. That being so it seems imperative that the work done by Mr. Davis should continue; he has really only begun the scientific side of it. It is proposed by the planters of Bihar, which is the original home of the indigo industry in India, it is proposed by them that he should be retained for a further period, and that he should be associated with a special indigo botanist, since the botanical side of the problem requires to be further investigated. For that purpose, the Bihar planters have suggested, in order to finance this investigation, the imposition of a small export duty on raw indigo. The proposal has been referred to the Local Governments concerned, who with one exception (and I hope a temporary exception) have agreed in the desirability of doing this, and I need hardly impress upon this Council the importance, if possible, of retaining or recovering an industry of such value to India as the indigo industry.

" Another important matter under this head is the cultivation of quinine. Hon'ble Members are probably aware that quinine is produced by Government on two plantations, one in Bengal and one in Madras. The supply from these plantations is by no means adequate to India's ever-growing needs, and it is wholly inadequate for the needs of the Empire. It seems desirable that India at all events, if not the Empire, should be more or less independent of outside supplies in the matter of such an important drug; we are therefore deputing Major Gage to investigate certain tracts in Southern India, Burma and Assam which promise to be suitable for the cultivation of the cinchona plant with a view to seeing whether we cannot very considerably extend the cultivation.

" In reference to the Scientific and minor Departments which stand in my name, I should like to make a reference to some criticisms which have appeared, in the journal ' Nature ' in regard to the Board of Scientific Advice, and its work. The line taken by the critic was that the Board of Scientific Advice, as constituted, had entirely failed to show any initiative in regard to scientific investigation. Well, to that I would reply that the Board of Scientific Advice was not constituted or devised for the purpose of showing initiative in the matter of scientific investigation, but only to co-ordinate the work of scientific research which is going on in various Departments and in various parts of India. In regard to this, we may, I think, claim that the Board of Scientific Advice has already achieved some measure of success. The war, however, has undoubtedly

changed the outlook in regard to this, as in regard to so many other things, and we are now seeing whether we cannot reconstitute the Board in such a way as to make it more an initiating body as well as a co-ordinating body and in order to enable it to establish relations with the Advisory Council of the Privy Council Committee for the purpose of promoting Scientific and Industrial Research.

" Since my Hon'ble friend Sir William Meyer delivered his speech on the 1st of March, we have received the Secretary of State's sanction to our proposals for the distribution of the profits from the Wheat Scheme which, Hon'ble Members will remember, we undertook should be devoted for the benefit of Agriculture, more particularly in those provinces where wheat was grown. A sum of £158,000 (Rs. 23,70,000) will be distributed in the following manner :—

	Rs.
Punjab will receive	10,70,000
United Provinces	7,75,000
Central Provinces	2,25,000
Bombay	1,50,000
North-West Frontier Province	50,000
and the Agricultural Adviser	1,00,000

This distribution has been effected after consultation with the Local Governments, and on a basis partly of the area under wheat in the different provinces and of the amount exported, as also of the existing agricultural needs, specially with reference to wheat, of the different provinces. We have reserved one lakh of rupees to the Agricultural Adviser as a reserve on which to draw in the event of any emergent matter appearing which conforms to the conditions on which we have decided to allot such grants.

"Turning now to the Public Works Department, our productive irrigation systems, after meeting all charges for maintenance and repairs, as well as interest on capital, has returned a net profit of Rs. 299·10 lakhs during the past year, exceeding the corresponding figure of the previous year by Rs. 22·35 lakhs. We estimate for 1917-18 a net profit of Rs. 315 odd lakhs. In my last year's speech I mentioned that we hoped to secure an increase in consequence of the completion of the Punjab Triple Canals project, and I am glad to be able to say that about half the increase that we anticipate is due to the completion of that project. The provision made for capital outlay for Major Irrigation works during the ensuing year under Head 49, that is from funds not charged against revenue, is 90 lakhs, and for ' Protective Works,' the cost of which is met from the Famine Insurance grant, is Rs. 60 lakhs.

" In addition to the above grants, a small sum of Rs. 60,000 has been provided for works which no longer give an adequate return on capital outlay. The total of these allotments amounts to Rs. 150·60 lakhs, or nearly five lakhs less than the current year's revised estimates. The decrease is partly due to the completion of the Triple Canal project, and partly of course to the necessary curtailment of expenditure.

"The Hon'ble the Finance Member, in his speech introducing the Financial Statement, has alluded to the present phase of some of the larger Irrigation works. I only propose to deal with two or three of them. The project for the construction of a reservoir at Metur on the Cauvery, which it has been found necessary to modify as a result of the terms of the award in the dispute between the Mysore Durbar and the Madras Government, was first prepared in 1910, and a brief description of it is given in Sir Guy Fleetwood Wilson's speech. The modified project is somewhat restricted in scope. Although the storage capacity of the reservoir is not altered, the area of annual irrigation is somewhat smaller—it has been reduced from 473 thousand and odd to 371 and odd acres. This restriction is also reflected in the financial aspect of the project, because whereas the original project was expected to yield at full development a net revenue of Rs. 26·6 lakhs a year, the amended project will only bring in about 23·43 lakhs, which represents a return of 5·97 per cent.

" The project for embanking the left bank of the Irrawaddy river contemplates the construction of an embankment from Tullokmaw to Yandoon, a distance of 102 miles, at a cost of about 62 lakhs of rupees only, and it is expected to yield a return of about 20 per cent.

" A preliminary consideration of the Sind-Sagar-Doab project has shown that an area of about two million acres is susceptible of irrigation in the *thal* of which about a million and a half can annually be served at a cost of about four million sterling. I may mention that His Honour the Lieutenant-Governor has recently made a tour in that part of the province, and he writes to me in a private letter that he regards the scheme as a most promising one. The expenditure is expected to yield a good return. Both of these projects are still in an embryonic stage.

" Finally, in my last year's speech, I referred to what is known as the Sarda river project, and mentioned that we had submitted to the Secretary of State a scheme for utilising part of the available water of the Sarda river. The Secretary of State, in reply, has asked what we propose to do in regard to the major alternative projects, one of which is to utilise the water of the Sarda river in Oudh and the south, and the other to replenish the waters of the Punjab in the west, and we have referred this matter to the Government of the United Provinces for report.

" As regards Civil Works, I have nothing to add to what is stated in the Financial Statement, except that we have kept the figures as low as possible consistent with efficiency."

RESOLUTION *RE* REDUCTION OF GRANT OF Rs. 40 LAKHS TO RS. 10 LAKHS ON NEW DELHI.

The Hon'ble Mr. Bhupendra Nath Basu to move the following Resolution :—

'This Council recommends to the Governor General in Council that, in view of the exigencies of the war, the proposed expenditure of Rs. 40 lakhs on New Delhi budgetted for the year 1917-18 be reduced to Rs. 10 lakhs.'

In the absence of the Hon'ble Member the Resolution was not moved.

The Hon'ble Sir C. Sankaran Nair introduced the following heads of the Financial Statement for 1917-18 :—

Revenue.	*Expenditure.*
Sanitation.	Sanitation.
Education.	Education.

" Sir, I beg to introduce the Education and Sanitation heads of the Financial Statement.

" As regards Education, it will be seen from the figures already given that we are spending in the present year 12 lakhs more than in 1915-16, and that we contemplate a very considerable increase of expenditure on Education in the year 1917-18. This latter feature of the Budget is due to the circumstance that we have for the first time for two years been able to make an additional grant to Provincial Revenues on behalf of Education. The fact that at a time when every rupee is wanted to promote the war, we should have put aside no less a sum than 30 lakhs for educational purposes is a very striking testimony of the high regard in which the Government hold the cause of Education in this country. There are, of course, many branches of Education which are in need of funds, and I do not deny the claims of other branches on us, but we considered that in making this grant we should concentrate our attention on that part of our educational system which on the whole was most in need of help, and this in our opinion was undoubtedly the position of our teachers. We have for many years and from many quarters

received complaints as to the inadequate extent of the training which they received and as to the inadequate attractions of the profession. We felt that the key of the educational problem was the teacher, and that our first step was to give what help we could to make him efficient and contented. We wrote last year to Local Governments asking them to consider whether arrangements could be made to secure that all or the greater part of new teachers should be trained, and we laid down in our Resolution of 1913 a scheme which aimed at providing the trained teachers with a minimum pay of Rs. 12 in primary, and Rs. 40 in secondary schools. The Local Governments and local bodies have done a great deal in recent years in both respects, but much still remains to be done. We have still 70 per cent. of our teachers untrained, and there are areas where the standard of pay is still not sufficient to keep the younger teachers in the profession. There are no doubt difficulties connected with the application of the money which we are now providing, and these were discussed by us with the Directors of Public Instruction in January last. But we are in most cases giving the Provincial Governments every latitude in their disposal of the grant. The grant made to each province will be available at its discretion for training or for pay or both. It will be recurring. The grant can be utilized for primary or secondary education as desired, but we hope that a predominant share will be given to primary teachers. It is intended primarily for male teachers as it will probably be best to deal with female education on a separate footing, but there will be nothing to prevent Local Governments from using such part of it as they wish for female teachers. The grant will be available for use during the current year, and we expect it, as far as possible, to be so used.

" The whole grant has been distributed with the exception of a reserve of 75,000 which we intend to utilize mainly in meeting the needs of the European community in the matter of training schools for teachers.

Madras gets	4,00,000
Bombay gets	2,50,000
Bengal gets	9,00,000
United Provinces gets	2,50,000
Punjab gets	1,75,000
Bihar and Orissa gets	3,25,000
Burma gets	3,00,000
Central Provinces gets	1,60,000
Assam gets	1,00,000
North-West Frontier Province gets	38,000
Coorg gets	60,000
Delhi gets	8,000
Baluchistan gets	6,000

and as I said already, for the Anglo-Indian training schools at Sanawar and Ootacamund, we propose to give 75,000.

" In the matter of Sanitation, it will be observed that this is for the first time shown as a separate head in our returns, apart from the medical expenditure. This not only makes for convenience, but is gratifying as showing the increasing importance attached to this branch of expenditure. The war has of course had a serious effect on some important classes of sanitary schemes, but we have estimated for next year a total expenditure slightly exceeding that which was budgetted for in respect of the current year.

" Our Imperial expenditure is represented mainly by two items known as the Sanitation reserve and the grant to the Indian Research Fund Association. The former which normally amounts to 7·70 lakhs was reduced to 5·70 during the current year by the temporary surrender of 2 lakhs owing to the financial position, and this sum of 5,70,000 has been allotted for various objects, including a drainage and water-works scheme at Peshawar (2 lakhs), the improvement of the Badrinath-Kidarnath pilgrim route (1 lakh) and the Dhar housing scheme at Simla (1·61 lakhs). For the year 1917-18, we have similarly surrendered $1\frac{1}{2}$ lakhs which like the 2 lakhs surrendered last year will be made available for allotment later on when financial conditions improve.

" The Indian Research Fund Association normally receives a grant of five lakhs per annum, but in 1916-17, a sum of two lakhs was temporarily surrendered and a similar amount will be again surrendered in 1917-18. The expenditure of the Association during 1916-17 included the cost of various inquiries into diseases, including Tuberculosis, Ankylostomiasis and Diabetes and other objects connected with medical research. A sum of Rs. 50,000 was granted by the Association to the Bengal Government for anti-malarial measures, and one of Rs. 30,600 to the same Government for a scheme for the collection of accurate vital statistics in certain areas. The Association has also sanctioned a considerable contribution to the Central Research Institute at Kasauli, and Sir Pardey Lukis will inform the Council of the excellent work which has been carried out during the war by that Institute."

The Hon'ble Mr. Sharp:—" Sir, I lay on the table the annual narrative called 'Indian Education in 1915-16.' The tables at the end of this volume are for all India. But figures for the separate Provinces are to be found in another publication commonly known as 'Salient Features,' of which I shall be glad to supply a copy to any Hon'ble Member who desires to have one."

The Hon'ble Surgeon-General Sir Pardey Lukis:—" Sir, the time has not yet arrived when we can estimate with any degree of accuracy the amount of the debt that this country owes to medical research, but people are already beginning to realize the importance of the role played by the laboratory worker. Never again can scientific investigation and preventive medicine be relegated to the back-ground, and it is admitted on all hands that money spent on carefully considered research schemes is a profitable investment.

" Here in India we have reason to be proud of the progress made during the last six years and, on this the last occasion I am likely to have the honour of addressing this Council, I trust I may be excused for saying that there is not a single feature of my administrative career that I shall look back upon with more gratification than upon the progress that has been effected, during my term of office as Director-General, in the organization of medical research in India and the development of the Indian Research Fund Association.

" Owing to the reversion to military duty of the majority of the members of the Bacteriological Department the activities of this Association have been necessarily somewhat curtailed by the war, but our research workers have furnished a band of expert advisers whose assistance, both in the laboratory and in the field, has been of great value to the military authorities. We have also despatched to Mesopotamia from our Central Research Institute at Kasauli several fully equipped field laboratories.

" But perhaps the most valuable assistance we have been able to render to His Majesty's Forces overseas has been the conversion of the Central Research Institute, Kasauli, into a huge manufacturing depôt for the preparation of vaccines, intended to protect the troops from the ravages of typhoid and paratyphoid fevers, as well as from those of cholera. The preparation and despatch of these vaccines in the large quantities required, have involved an enormous amount of work. The Institute, in response to Military demands, has already issued half a million c.c. of typhoid and para-typhoid vaccines and three-fourth of a million c. c. of cholera vaccine, and arrangements are now in progress to increase largely the output in the immediate future. In connection with the supply of vaccines from Kasauli I should like to mention that, at the end of last month, the Central Research Institute was visited by two members of the Medical Advisory Committee, sent out to Mesopotamia by the War Office, and that they have reported as follows:—

'We were shown the various steps in the preparation of these prophylactic vaccines from the start to the finished product, and we were greatly impressed by the care taken to ensure the purity of the various constituents of the vaccines at every step in the process, their accurate standardization and their final incorporation as a carefully tested sterile product in sealed glass vials. The general arrangement of the laboratories and equipment left nothing to be desired.'

" This, I think, reflects great credit upon Majors Brown and Cunningham, of the Bacteriological Department, to whom were entrusted these difficult and delicate duties.

" I may mention moreover that, in addition to the supplies from Kasauli, large quantities of vaccines for the inoculation of troops against plague, dysentery and various septic infections have been despatched to Mesopotamia from the Bombay Bacteriological Laboratory at Parel.

" I have already stated that, as a result of the war, the normal activities of the Indian Research Fund Association have been curtailed. They have not, however, by any means ceased, and many problems of extreme importance are now under investigation.

" As regards plague, we are financing an inquiry at Poona on the subject of plague-prevention. This inquiry was commenced by Major Kunhardt, but on his departure for Mesopotamia it was taken over by Dr. Chitre, who is now engaged in studying the various methods of rat destruction. His reports show that in Barium Carbonate we possess a rat poison safer to handle and more efficacious than any substance hitherto used for the purpose. This salt has also the advantage of being very cheap, and it exists naturally in the form of ' Witherite.'

" The importance of grain markets and grain godowns and of the movement of grain as factors in the dissemination of plague is generally admitted. It follows from this that the construction of well designed rat-proof markets and the keeping of them free from rats are anti-plague measures of real utility. The Indian Research Fund Associations, therefore, have financed the construction of such a model grain market at Dalligunj, the most important grain centre in Lucknow, from which have originated most of the severe plague epidemics in that city.

" We are also financing the investigation which is being carried out in Calcutta by Major McCay into the causes underlying the extreme prevalence of diabetes in Bengal, and we have given a grant to Dr. Sudhamoney Ghose who, under the supervision of Sir Leonard Rogers, is engaged on an inquiry into the chemical composition of Chaulmoogra oil, the derivatives of which are yielding most encouraging results in the treatment of leprosy.

" Then, again, we have given grants to the two newly opened Pasteur Institutes at Rangoon and Shillong respectively, to enable them to develop the research side of their work, and we are assisting the schools of Tropical Medicine now under construction in Calcutta and Bombay. It is hoped that these two schools will be ready to commence work as soon as the war is over. They will afford unrivalled opportunities for post-graduate work and medical research.

" Tuberculosis, the undoubted spread of which is causing serious anxiety, is engaging our careful attention. During the past two years Dr. Arthur Lankester, at the expense of the Indian Research Fund Association, has been occupied in making a comprehensive inquiry into the prevalence of tuberculosis in all the provinces of India and of Burma, and into the factors concerned in its spread. On the receipt of his final report, upon which he is now engaged, consideration will be devoted to the possibilities of framing measures designed to cope with the spread of this dire disease. Meanwhile, Dr. Soparkar, working under Major Glen Liston at Parel, is engaged on certain very promising pathological investigations with reference to the tubercle bacillus. Another inquiry upon which Liston and Soparkar are engaged is in connection with ' Bilharziasis,' with which disease many soldiers returning from Africa and Egypt are found to be infected. Hitherto this disease has not prevailed in India, but in the altered circumstances of the present day, it is essential to inquire into the possibilities of its gaining a foothold in this country. The disease is due to a small parasitic worm and the recent researches of Leiper in Egypt have shown that certain varieties of water-snail act as intermediate hosts and are essential to the continued existence of the worm to which they

stand in much the same relation as that of the mosquito to the malarial parasite. Endeavours are now being made to ascertain whether any of our Indian species of fresh water snails are capable of harbouring this worm. So far, I am glad to say none have been discovered.

" Whilst on the subject of the work at Parel, I may inform the Council that Dr. Mackenzie Wallis, a well known Chemical Pathologist who has come out to India as a temporary Lieutenant in the R.A.M.C., is now working with Major Glen Liston. He is engaged on most important investigations connected with the chemical sterilization of water and in the preparation, at a cheap rate, of certain media for bacteriological work which, prior to the war, could only be obtained at very high prices from Germany. The Indian Research Fund Association have given Dr. Wallis a grant in aid of his investigations.

"The last subject which I shall mention is that of hook-worm disease, or 'Ankylostomiasis.' As most Hon'ble Members are aware, for several years the International Health Commission of the Rockefeller Institute of the United States, have devoted much time, attention and money to investigations into the prevalence of, and possibilities of eradicating, hook-worm disease both in America and in many tropical and sub-tropical countries, including several British colonies. Some two years ago, largely in response to the representations of this Commission, we commenced a systematic inquiry into the prevalence of hook-worm in India. These hook-worms are intestinal parasites, frequently existing in enormous numbers, which attach themselves to the lining membrane of the bowel and cause considerable loss of blood, followed by anæmia and general debility. As the result of investigations carried out in Darjeeling by Lieutenant-Colonel Clayton Lane and in the Madras Presidency by Dr. Mhaskar, we find that from 70 to 95 per cent. of the coolie class are infested by these parasites. Now, although it is true that a certain degree of hook-worm infestation is not incompatible with apparent good health, it does not follow that such unpleasant guests are harmless. Indeed, we have reasons for believing that their presence predisposes to infection by other diseases, and it has been demonstrated in Ceylon that, if Indian coolies, working in the gardens, be freed from hook-worms—and this is an easy procedure—not only is their general health improved, but their output of work is increased, sometimes as much as 25 per cent.

" The Indian Research Fund Association, fully realising the importance of the matter, recently deputed Major Norman White to Negapatam and Ceylon to confer with Dr. Perrin Norris of the International Health Commission, and as the outcome of this Conference, it is intended shortly to enlarge the scope of our inquiry in the immediate future, when it is hoped that all Local Governments will co-operate in assisting in the framing of rules towards the ultimate eradication of the hook-worm from India. The young parasites live in polluted soil. The obvious preventive measure, therefore, is to minimise this pollution by the provision of suitable latrines and by rendering their use obligatory. An excellent pattern of latrine has now been devised, and it is in use in the Darjeeling Tea Gardens. The destruction of the adult parasites in the human body can be easily effected by the use of Chenopodium oil, one dose of which, as a rule, suffices. This oil is a far more satisfactory vermifuge than thymol, the drug chiefly in use in India, and it has the advantage of being non-poisonous. Chenopodium is not indigenous to India, but Dr. Perrin Norris has promised to send us a supply of seed from America, and I am quite convinced that we shall have no difficulty in acclimatising the plant, for which purpose I propose to invoke the assistance of the Revenue and Agriculture Department.

" I should have liked to allude to several other lines of investigation, such as Cornwall's work on Kala Azar at Coonoor; that of Knowles at Parel on Amœbic dysentery, and Mr. Awati's interesting and important researches at Kasauli into the morphology and habits of the various species of house-fly. But time will not permit : I think, however, I have said enough to convince the Council that money spent on medical research and preventive medicine is money well spent."

RESOLUTION *RE* ADDITION OF Rs. 30 LAKHS FOR THE EXTENSION OF ELEMENTARY EDUCATION.

The Hon'ble Mr. Srinivasa Sastri:—"Sir, I move the following Resolution:—

'This Council recommends to the Governor-General in Council that a sum of Rs. 30 lakhs be added to the provision made under the head 22—Education in the Budget for 1917-18 for the extension of elementary education.'

The Council will remember that not many days ago a similar question on the subject of elementary education was brought forward but negatived. Thrust out at the door on that day, I venture to come in again at the window this morning; but I have a reason. For some years, Sir, there has been a standing dispute between the Government and the non-official public as to which is the most efficacious means of making elementary education universal in the land. We have had it put forward on our side that compulsion is the only means to achieve that object. When last it was brought forward in this Council, Government countered the proposition by claiming for voluntaryism equal possibilities. I contend, Sir, that by doing so Government pledged themselves practically to carry forward the work of extending elementary education through good seasons and through bad. At that time it was believed that, although the main purpose of Mr. Gokhale's Bill was defeated, he had elicited from Government promises of financial support for liberal schemes for extending elementary education. These promises were really fulfilled. The appointment of the Minister of Education was followed by what I may call a triennium of hope and advance along all lines in the field of education. Sir Harcourt Butler took charge of the Department, and although he is not here, I think he will be glad to learn that the non-official public welcomed the way in which lakhs and tens of lakhs rained on his auspicious head, while his successor unfortunately has not even a drizzle of poor thousands. In this triennium, I believe the story is not altogether apocryphal that Sir Harcourt Butler ventured to envisage a scheme of educational expenditure which at its culmination would have gone up to ten crores a year. Well, we were soon to welcome a promise made, both in Parliament and in India by the Government, that 91,000 schools would be added to the system of elementary education, and that the school-going population actually in attendance would be doubled in no long time. Apparently to fulfil this programme the Government of India called last year for schemes from all the Local Governments which were summarised in a statement placed on the table of this Council at the end of last year. Nothing has come, however, out of all these schemes, and speaking in this Council on the last occasion the Hon'ble Mr. Sharp nearly admitted that the Department had been occupied in making plans and shelving them. What happened in India may practically be guessed from what happened in the province of Madras, which I take because it is the most favourable from the Government point of view. In Madras, Sir, I am happy to tell the Council that the policy adopted by the Government in the matter of education has been very liberal and progressive. Encouraged by the example of the Government of India, who granted for three years in succession recurring sums of money, amounting now, I think, in all to 125 lakhs, the Government of Madras themselves out of their own provincial revenues promised to the education budget of that province a recurring grant of 2 lakhs which was to be progressive every year, namely, 2 lakhs one year, that 2 lakhs and another 2 lakhs next year, and so on. During the three years that the Imperial Government made an advance of a recurring character, the Government of Madras spent a great part of those sums in opening new schools—in other words, in extending elementary education to areas which had not come under the beneficial effects of education. These schools cost nearly Rs. 300 each, so that a lakh went to the creation of more or less 300 such schools. We were looking forward, Sir, to a scheme which would be worked right through on this scale. But unfortunately the war came, the Imperial Government changed their plans, and during some time past there have been no recurring grants for education, with the unfortunate result that even the Government of Madras refused practically to

spend any part of the sums at their disposal for opening new schools. It was my misfortune to contend against this state of things for three years in succession in the local Council. Time after time we asked that, out of their own progressive 2 lakhs a year, the Government might, while they kept a lakh for the improvement of existing schools, devote the remaining lakh at least to the creation of new schools. We had no idea why our proposition on this subject was defeated time after time, but I gathered afterwards, without being expressly told, that apparently Local Governments have got the impression that their revenues are only pledged to the improvement of education, while for any large schemes for the opening of new schools, they should look to the Government of India. Now, what has happened in my province I have no doubt has happened in other provinces and probably on a larger scale. This then is the state of things. The Local Governments are prepared, when they have money of their own, to spend it on improving existing education; but to make elementary education spread through the land by creating new schools and affording additional facilities for people to come under its influence, for that object they depend exclusively on recurring sums which the Imperial Government may be willing to place at their disposal. Now, that is the object with which I have given notice of this Resolution. Psychologists say that the strength of a belief is to be tested by the action to which it leads. If Government believe that on the voluntary system in vogue at present (we do not believe in it), if Government believe that on the present system they can extend elementary education, it is their duty continually to place recurring sums every year at the disposal of Provincial Governments. I am not losing sight of the fact that in the Budget before us a sum of £200,000 has been placed on the estimates. It is really a gratifying feature. The sums appearing in the education budgets of the two years past were almost nothing. I am very happy to congratulate the Education Minister on his being able, however slightly, to advance schemes of improvement which have been awaiting his disposal. Anything that helps to make the lot of the teacher better, to give him better pay and to give him better hopes to continue in his work should be welcome. Far be it from me to say a word against this disposition of the money. But I contend that *pari passu* with it, the Government of India ought to place sums at the disposal of Local Governments for the extension of elementary education. A battle royal, Sir, has been waging all over India during some years as to which is to be the first object—extension of elementary education or greater efficiency. I am one of those who refuse to join in this battle; both are good, because I contend, and have always contended, that Government must put their best foot forward in the one direction as well as in the other. It is a mischievous idea altogether that when the claims for improvement have been met sufficiently, it would be time to look to the needs of extension. Improvement is a thing which has no end. Educational standards are rising, new ideas are creeping into the field of education and revolutionising our methods. If we were to wait until we made all the schools we have model schools before we opened new schools, there is really no hope whatever of anything being done under the voluntary plan. We are, Sir, like a colony of human beings who are obliged to take up their residence in a rank primeval forest. We have small patches of cultivation here and there, but the reclaiming forces of man have to contend against a formidable and sleepless foe, the encroachments made by the luxuriant forest growth. To give rest to the spade, to make the fire cease to burn, to let the axe lie at home, is to invite the forest into your homes and seek destruction. We, Sir, I think, are in a somewhat similar predicament. We cannot afford to let this work of extension drop for even a year. Do not weary of well-doing. I ask that recurring grants should again as before be placed at the disposal of Local Governments, and I claim that next only to the war, education expenditure is that which must find acceptance by the Government. I have had a suspicion for some time that while perhaps Government agree with us that the extension of education is also a laudable object, they do not assign to it the same place that we do. It has dawned, I grant, upon their consciousness, but it is still in the outer fringe, in the very circumference of their vision. I ask that it should be brought to the centre, so that side by side with schemes for improvement there should also be schemes for extension of education. In

these days when provincial autonomy is so much talked of, a word of explanation is necessary as to why in my Resolution I invite the Imperial Government almost to ear-mark the sum, if it should be granted, to extension. I have for some time felt, Sir, that under the present dispositions of power between the Supreme and Provincial Governments it would be necessary in certain cases for the Imperial Government when making grants to say also on what objects they desire those grants to be expended. I know by actual experience that in the provinces there is a great demand on the Director of Public Instruction for various items of improvement in existing schools. He has them piled before him; in despair for money he is on the look-out for some windfall, and when it comes his way he only thinks of putting it to the best use that he has marked out before him. It is, therefore, necessary that we should prevent Local Governments from falling into this temptation of putting all their monies into improvement of existing schools only. It is, therefore, necessary that the Imperial Government, if they should make the grant that I plead for, should at the same time ear-mark it for the special object of extending elementary education.

" There is one thing only, Sir, that I will mention before I sit down. You have got to tell us clearly what destiny you are preparing us for. You are our providence. What is the destiny that you intend for the people of this country? Are they always to be in a low state of vitality, without even the rudiments of education, or are they to be worked up to a state of national efficiency such as we find in the continent of Europe among all the nations there? England, Sir, lest she be outstripped in the race for national equipment, has recently been starting various schemes with the object of securing to every person born within her shores the best education for which he may be fitted. Quite recently, I read with great interest a ringing statement made by a reverend prelate of the House of Lords that if he had the time and energy he would go out stumping the country for starting what he designated a 'thirteen to eighteen Association,' meaning thereby that it was necessary in England to prevent from running to waste the possible talents of youths between the ages of thirteen and eighteen. The compulsory age for elementary education stops at thirteen. Then a large number of boys get into what are known as blind-alley occupations. About their eighteenth year they are thrown out, for the employers would no longer employ them, as juvenile wages are inappropriate after the age of 18, and then you get the streets crowded, it would appear, by a number of people who cannot get sufficient wages, and who do not know what to do with themselves. That is the problem for which that prelate pleaded for the starting of a 'thirteen to eighteen Association.' In India, Sir, it is not a thirteen to eighteen Association we want. It is an Association that will look after people almost from the cradle to youth. We want plenty of associations for securing to people the rudiments of education from the school-going age, say six, right away to eighteen or twenty, until university education begins.

" Now, Sir, the worker amongst the people in India has one universal experience; he comes up against illiteracy at every turn and in a very short time. You go to the agriculturist, to the man who wants improved methods of agriculture adopted by the people, he tells you you must have universal education; you go to the sanitarian, the man who wants to teach the people to live better and take better care of their bodies, he tells you that you must have universal education; you go to the social and religious reformer, the Registrar of Co-operative Societies, to the man who is interested in the development of industry, you read the evidence that has been placed before the Industrial Commission; everywhere you get nothing but the one cry, 'educate the people, educate the people.' You cannot afford to let this good work lie over for good seasons, whether there is abundance or want, whether there is war or peace, this is work that the Government of India should not let rest for a single year. It is because I strongly entertain this belief that I have ventured to ask you to make this grant of 30 lakhs for the extension of primary education.

" Sir, I beg to move the Resolution that stands in my name."

The Hon'ble Sir William Meyer :—" Sir, my Hon'ble friend began his speech with the admission that this subject has really been discussed before. He said that he had been cast out of the door and was now going to make a sly ingress by the window. Well, I am afraid I must bar the window against him too.

" This Resolution asks us to add to our estimates for 1917-18 the sum of £200,000 for expenditure on primary education, and asks that this sum should be a recurring grant. It is impossible for the Government of India to accept such a mandate, and it will not require long to show why. I have already explained in introducing the Financial Statement that we have undertaken heavy demands in connection with the war, and that, even with the additional taxation necessary to meet these, we are only likely to have a surplus of £130,000, which is very small indeed, having regard to the circumstances of the time and the unforeseen calls that may come upon us. The Hon'ble Member spoke about putting education next to war expenditure. Well, although we were in the strain and stress of war, we included in our Budget a special recurring grant of £200,000 towards improving the training and pay of teachers in primary and secondary schools, and as my colleague the Education Member said just now it is likely that most of this money will go to teachers in primary schools. Also as I said in my speech on the Financial Statement we hold that such an improvement in respect of teachers is an essential preliminary to further educational reform and, although present circumstances prevent our doing much in this direction, we desire by this grant to give an earnest of our intention to make more liberal provision for education when peace and prosperity return. We cannot do more than this at present, as the Hon'ble Member would have us, and convert our small surplus into a deficit, for that is what the effect of his Resolution would be. I am not prepared to budget for a deficit in present circumstances. My Hon'ble friend must be content with the earnest we have given that we shall spend money more freely for educational purposes when the times permit.

" He has spoken eloquently of the necessity of having fresh schools; I agree with him as to the desirability of these, but what is the use of fresh schools without efficient teachers? You might as well try to raise an army without having a good supply of officers. If the thing is to be real, to be effective education and not eyewash, what is of most importance is the teacher and the quality of the teacher.

" Another proof of our earnestness in this respect is afforded by the fact that, in spite of the war economies which have been forced on us in other directions, we have not cut down expenditure on education. I gave some figures in this connection in paragraph 30 of my last year's Financial Statement speech as regards provincial outlay, and nearly all our expenditure on education is debited to the provincial head. I will read out the figures as brought up to date for 1915-16 and the current year.

" In 1911-12, provincial expenditure on education was £1·963 million, in 1912-13, £2·490 million, in 1913-14, £3·056 million, in 1914-15, £3·182 million. In 1915-16 it was £3·001 million, while in the Revised Estimate for the current year it is £3·073 million, that is a little above the outlay of the last pre-war year.

" I have already pointed out that in 1917-18 we are making a special extra grant of £200,000, but even without that the figures would be materially in excess of what is provided in the current years' Revised Estimate. They would amount to £3·423 million, of which £3·286 million is provincial, and adding the £200,000, special allotments, we get to an increase of over £400,000 on the present year's provision.

" Then when we ask the Council to have faith in our regard for primary education in the future, we may be fairly judged by what we have done in the past, before the war, to which the Hon'ble Member has referred. Taking recurring grants I find that in the years immediately preceding the war, commencing with 1912-13 our total special grants for education amounted to 124 lakhs, and that 51 of these were earmarked for elementary education, and 10 lakhs for the education of girls, which in present circumstances will be mostly elementary; while there was a further sum of 19 lakhs unallotted to

any specific purpose of which a considerable portion must have gone to primary education. In the same period we added as non-recurring grants (in round figures) 102 lakhs for primary education, 2½ lakhs for female education and 16 lakhs not specifically allotted.

"The Hon'ble Member spoke of the idea prevailing in some quarters that Provincial Governments should not be required to meet the expenditure on any expansion of education; that that was the business of the Government of India. I may say at once I cannot accept any such proposition. Education is a provincial head; and one of the main objects of giving Provincial Governments sources of growing revenue is that they may satisfy legitimate demands for expansion in the departments under their control. Every now and then, when the Government of India have been prosperous Provincial Governments have been given special assistance, and we hope to be prosperous again and to do the same. But we must not thereby be supposed to accept a definite liability for the extension of primary education as contrasted with improvement of existing schools. I say that that is a liability of Provincial Governments, and all we can promise is to help those who help themselves.

"In face of these explanations, I trust that the Resolution will not be pressed. If it is pressed, I can only oppose it."

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, it is unnecessary to make a speech in support of the motion before us. I would only like to ask the Hon'ble the Finance Member if he could not spare the amount asked for out of the surplus and some other items. I should like him to tell us why the sum of Rs. 40 lakhs which has been set apart of Delhi expenditure could not be reduced? Certainly that expenditure might well stand over for some time. No interest will be injured by the construction of Delhi being delayed, while the interests of thousands and millions of boys in this country are being injured by their being deprived of the education which it is their birthright to expect from a civilised Government.

"My Hon'ble friend has spoken of the need of more efficient teachers before schools can be extended. The attitude my friend has taken up, is, I submit, a wrong one. The cry for efficient teachers before schools is of very recent growth and I fear, it is being carried too far. Schools have existed and worked with the most beneficient results before the special training of teachers was thought of. If the Government of India would recognise the imperative need of bringing the blessing of education home to the school-going population, they would use the instruments that are available, and that would lead to such an expansion of education in a few years that all lovers of the country will be gratified. But to wait for the training of teachers, and to make their absence an excuse for delaying the extension of education to the people is, I submit, an entirely wrong policy. I do not ask my Hon'ble friend the Finance Member to cut down any new item of war expenditure, but I should like him to tell us why the 40 lakhs provided for Delhi expenditure in the Budget should not have largely been given for education."

The Hon'ble Sir William Meyer:—"I can answer the Hon'ble Member's question in a very few words, and I think he will be the more satisfied with my reply, because some two years ago he professed himself an ardent advocate of the policy of New Delhi. We have cut down the expenditure on Delhi to the full extent we can do as without absolute waste. If we were to cut down further, we should have to disband establishments and let existing material rot and waste. I can assure the Hon'ble Member that we have not put any money into New Delhi that is not simply required to keep the project alive, if I may say so, as a going concern."

The Hon'ble Mr. Srinivasa Sastri:—"Sir, I have nothing to say except that I would have been much more gratified if the Hon'ble the Finance Member was able to tell us that the Government of India have on hand some scheme for the extension of elementary education and not merely that it is a burden on the Provincial Governments which are not over-provided with monies as the Finance Minister well knows. His idea is to throw

the responsibilities on shoulders that cannot bear them and refuse to shoulder the responsibilities which the Government of India can alone bear. A large programme has to be planned. Until that programme is planned by the Government of India and funds are promised to the Provincial Governments, it is I think, unjust, Sir, to expect them to finance large schemes of expansion. I say that from experience, as I said of the most favourable province in India, that hitherto the Government of Madras found themselves unable to finance any extension scheme. I do not of course know the secrets of budget-making, but it strikes me that, with a large sum at their disposal, the Government of India might, in the beginning, have made provision for some sums on behalf of extension. The rules do not require that I should suggest sources from which the Finance Minister should abstract the revenue that I ask on behalf of this item. It will be a very hazardous thing for me to do so, for I know he can defend every item in his Budget as though it was the most sacred item. But there is a surplus which might be touched. I venture to say this with the greatest possible hesitation and with the greatest timidity of spirit, but the surplus, I think, is always meant for some uses. I have known surpluses being spent at the last moment on objects that the Finance Minister specially favours. Of course we non-officials who are outside the sphere do not know how really some items find more and more money, while other important items shrink from year to year. If we had a glance at these things from the inside in good time, we might be able to suggest suitable plans which the Finance Minister will not be able to put aside in a cavalier spirit. I have known in Madras for example when small demands, for thousands or tens of thousands, were rejected by the Finance Minister, schemes were suddenly brought forward claiming 4 and 5 lakhs at a time. In my own experience in the sphere of education itself some years ago we found suddenly in a Budget of a certain year a sum of 4 lakhs provided. For what? For starting some Government secondary schools. We were taken by surprise and were at a loss how 4 lakhs could all of a sudden have been found. It looked like jugglery. Then we found that a scheme of Government secondary schools had been in incubation for some time in the Province, that it had been decided upon; the Government were compelled to find the amount, and 4 lakhs *were* found. But luckily owing to missionary influence in England, the scheme fell through. But whatever it was, that gives a proof that if it occurred to Government to find monies for objects that they want, they would somehow or other find it. When the Finance Minister and the Government of which he is the financial adviser resolve to find money for a good object, he will never be at a loss. Where there is a will there is always a way."

The motion was put and negatived.

The Hon'ble Sir George Barnes :—" Sir, I beg to introduce the following heads of the Financial Statement for 1917-18 :—

Revenue.	*Expenditure.*
Salt.	Salt.
Excise.	Excise.
Posts and Telegraphs.	Customs.
Stationery and Printing.	Posts and Telegraphs.
State Railways.	Stationery and Printing.
Subsidised Companies.	Protective Works, Railways.
	Subsidised Companies.
	Miscellaneous Railway Expenditure.
	Capital outlay on State Railways.

" As has been the practice in former years, I will ask my Hon'ble friend the President of the Railway Board to offer some remarks on the subject of railways.

" With regard to the head of Posts and Telegraphs, I do not propose to trouble the Council with figures relating to receipts and expenditure for these figures have already been laid before them by my Hon'ble Colleague, but I think that it may interest the Council to hear a few

words concerning the activities of the Post and Telegraph Department in connection with the war. Few of us, I imagine, have any accurate conception of the extent of those activities, and of the strain which has been placed upon our Post and Telegraph Department.

"Some idea with regard to the Post Office is afforded by the fact that since August 1914, 26 supervising officers, 700 postmasters, inspectors and clerks and about the same number of menials have been sent from India for employment with the various Expeditionary Forces. As was to be expected, many of these men have now returned to India, but the total Postal staff at present with the forces consists of 20 supervising officers, 544 postmasters, inspectors and clerks and 524 menials, while the total number of field post offices is no less than 112. By far the heaviest part of this work has had to be done in Mesopotamia under the most trying difficulties and, as an instance of the magnitude of the postal traffic there, it may be mentioned that about 100,000 parcels are handled monthly at Basrah. Apart from the actual work in the various fields, the sorting of the mails in India for the troops at the front involves a vast amount of labour, as at the two Indian bases, Bombay and Karachi, bags are prepared for every unit with each force. Over and above this, special arrangements have had to be introduced at Bombay for the disposal of letters and parcels for officers and soldiers invalided to India from the field, necessitating the maintenance of a card index for each unit showing the whereabouts of each individual.

" The Telegraph Branch has also been put to a severe test in supplying the men and stores required for the field telegraph parties. Large numbers of men have been deputed for telegraph service in Mesopotamia, and it has been extremely difficult at times to meet all the demands which have been received from that theatre of war. At present there are roughly 1,200 members of the Engineering and 600 of the Traffic staff employed there. Similarly, in connection with the campaign in East Africa, about 650 engineering and 125 traffic men have been deputed. In addition wireless operators have been lent for duty on transports, many officials have been lent to the Indo-European Telegraph Department to assist in maintaining the essential link between Mesopotamia and India, while work has been carried out by departmental agency in Seistan and various parts of Arabia.

" Taking the Post and Telegraph Department as a whole about 4,000 officials of all classes are on field service, and many of them have been mentioned in despatches, while three have been awarded the honour of C.I.E. for military work and one Indian subordinate, I am glad to say, has received the D.C.M.

" As regards stores the value of the issues for war purposes made this year is already over Rs. 13½ lakhs. The telegraph workshops have been kept very fully employed on the manufacture of munitions, and there is reason to believe that the outturn has been very satisfactory.

"Telegraph traffic has continued to expand rapidly, and the latest figures available show an increase of 10 per cent. over those for the corresponding period of last year which themselves were very considerably in excess of the pre-war figures. In particular, the volume of State traffic, frequently in code and cipher, has been very great. This is at all times troublesome to deal with expeditiously and accurately, as such messages have to be collated, but very few complaints have been received. The strain on the staff of operators became so heavy in the autumn that it was found necessary to raise the charge for ordinary inland telegrams from 6 to 8 annas in order to decrease the volume of traffic. As the Director General has stated in his Annual Report, ' Notwithstanding the heavy demands for men for the various fields of military operations and the extra responsibilities imposed on the Department on account of Censorship and other exigencies of war, as well as the abnormal expansion of Government and Press telegraph traffic, the business of the Post and Telegraph Department has proceeded just as smoothly and efficiently as in normal times. To this result the staff of every rank contributed, and their loyalty, zeal and devotion to duty were never more conspicuous than in this year of stress.'

" I come to the next head, that of Salt, one of the principal anxieties which the Government of India have felt during the current year has been the abnormal rise in prices, more particularly in the Punjab and certain other parts of Northern India. This rise in prices has been mainly due to the curtailment of normal imports from the United Kingdom and other countries occasioned by the shortage of tonnage, which has brought about abnormal demands on the salt lakes of Rajputana, and the salt mines of the Punjab. At the same time, there has also, undoubtedly, been a great deal of speculation which has helped to raise prices to an unjustifiable level. Steps have been taken by the Government of India and the Government of the Punjab to deal with the position as far as possible. In the Punjab, depôts have been opened by the local authorities under the orders of the Punjab Government with the object of distributing salt at reasonable prices to the consumer, preference at the same time being given by the Salt Department to indents made by these local authorities over indents made by the general public. It is hoped that this measure may materially alleviate the position so far as the poorer consumers are concerned. I am glad to notice that there has already been a considerable drop in salt prices in the Punjab. The Government of India have also recently adopted measures with the object of largely increasing the output of the Mayo Mine at Khewra, which is the chief source of supply in the Punjab by the opening up of new workings and introduction of mechanical haulage to replace manual labour. It will probably not be possible until the end of the war to carry out in their entirety the measures above referred to for increasing the output of the Mayo Mine as the necessary machinery has to be obtained from home, and it is not at present procurable there. The Government of India have, however, sanctioned the immediate installation in the present workings of additional plant which it is hoped will be procurable in this country, and it is expected that this will result in a very considerable increase in the output within the course of the next few months. The present position at the Rajputana Salt Sources as regards future stocks of salt is, also, I am sorry to say, not without anxiety as the late summer rains of 1916 have filled up the salt lake and have thereby put off the extraction of salt by some two months, and it is also feared that it will be difficult to secure a sufficient supply of labour for extraction owing to the demand for field labour. In this case, however, as in the case of the Punjab Salt Mines, the Government are doing all that is possible to secure the maximum output.

" As regards the Customs and Excise estimates, I do not wish to add anything to the remarks made by my Hon'ble Colleague the Finance Member in introducing the Financial Statement. In spite of increasing restrictions on trade designed either to guard against the enemy getting articles of which he is in need or to conserve supplies to meet the ever-growing needs of the Indian Army and of the Home Government or, finally, to economise tonnage, I think it can certainly be said that trade conditions generally in the year which is now ending have been unexpectedly good. We have had of course our special problems. I may refer, for instance, to the difficulties which we have had to deal with in connection with the supply of coal. We have had also to embark upon new activities in the direction of Government control of certain trades. For instance, we have had to control the supply of tanned kips to the War Office; we have had to restrict the export of raw hides and skins, and we have had to take measures involving a direct interference with trade in the matter of the supply of jute, shellac, mica, wolfram and certain other commodities. Nevertheless, as I have said, trade conditions generally in the past year have been more favourable, I think, than any one could have expected. I fear it is equally true, however, that we have now to face a period of greater anxiety than we have experienced in the current year. The freight position is likely to be more and more difficult, and the necessity of economising tonnage to the greatest possible extent is one of supreme importance. The Home Government have found it necessary recently to take the most stringent steps to prohibit the import of all articles into the United Kingdom that are not absolutely necessary, while the export of many articles from the United Kingdom which India normally consumes, has been similarly curtailed. These steps must, of course, re-act directly on our trade. Restrictions, I need not assure you, Sir, are not imposed unless and until they are necessary for the vital interests of

the Empire, that is to say, in the interests of us all. Those concerned in commerce and trade have accepted in an ungrudging spirit the restrictions which in the past have been found necessary, and we shall not look in vain for the same spirit in the future. We must and we shall stand together to bear our share of the burdens of the war, and any measures which are essential for the successful prosecution of the war will in the future, as in the past be accepted without demur."

The Hon'ble Sir Robert Gillan :—" Sir, when I spoke in the Budget debate last year, I said there was one word which recurred on every page and in every paragraph of current railway history and that word was 'war.' The same is true of the Chapter which I have now to add.

" About the figures of railway revenue and expenditure I need say little. Inevitably—and, as the Hon'ble the Finance Member told us, this is a matter not merely of money but of materials—our capital expenditure has been and must continue to be very severely restricted. The same thing is true in the revenue account of renewals. It is interesting to notice, I think, that in the current year it is anticipated now that railways will earn 6 crores of rupees more than was originally estimated, and they will do this without adding to their working expenses. The result is that the percentage of net working profit to capital outlay comes up to the very high figure of 5·69. Next year it is lower, because the estimate is for some reduction in receipts and increase in expenditure, but it is still 5·47. These results are abnormal, both because railways have been carrying a heavy traffic which used to go by sea, and because the expenditure has been restricted. With the restoration of peace conditions will change again. We cannot count on keeping all the new traffic and most of the expenditure has not been avoided but postponed. None the less, at a time like this, the results are very welcome. I should like to think also that the figures indicate an expansion of the internal trade of India; and, after making all allowances for the revenue derived from the diversion of traffic from the sea to railways, I am inclined to think they do.

" To come to our special war activities. Last year I told the Council that we had successfully begun the manufacture of munitions. That manufacture during the current year has greatly extended and has branched out in many directions. We have been concerned also with the construction of military railways and with the supply to them in Mesopotamia, East Africa and on the frontier of personnel and materials. The recruiting organisation alone for the supply to them of skilled and unskilled labour has developed into a very large business with ramifications all over India and in fact outside of India.

" Then we have had to do with the Inland Water Transport in Mesopotamia. This may seem rather curious, but it was desired to carry out a great deal of constructional and re-erection work in India for river-craft. For that purpose an Indian Rivercraft Board was constituted in Calcutta, composed of representatives of shipping firms whose services have to be cordially acknowledged. Rivercraft Committees were set up in Karachi, Bombay, Colombo, Madras and Singapore, and a large shipbuilding yard constructed at Karachi under the control of the Indian Rivercraft Board. With these activities, in view of their association with engineering firms, it was natural that the Railway Board should be connected and the supply of personnel and stores for Inland water Transport to which this connection led, has been a very big business. Thus our war responsibilities have during the past year increased very greatly, and it was found necessary in order to deal with them to set up a special War Branch in the Railway Board's office.

" These have been our additional responsibilities, but in their ordinary working also railways have experienced grave anxieties. A year ago I spoke of the congestion which had been caused by the transfer to railways of sea traffic, and, in view of our experience at that time, we thought it would be well to consider in advance the possibilities of the next busy season. For this purpose a Conference was held in July in Calcutta under the presidency of our Hon'ble Member, and the outlook was then considered both from the commercial and the railway point of view. I think that Conference did much

good both by co-ordinating information and clearing the air. But in times like the present all forecasts are apt to be upset. One *desideratum* clearly was that before the busy season began all consumers of coal should lay in stocks so that coal should not interfere with the movements of other traffic, and for this purpose special contracts were entered into by railways by which they might accumulate large stocks. In the first place, however, plentiful rains, good crops and malaria led to scarcity of labour in the coal fields. The raisings in November were very much below what they ought to have been. Then in December, as a result of the strike of miners in Australia, because it was this far off disturbance that affected us an abnormal demand arose for Admiralty coal, and this demand no one in India but the railways could meet. The result was that railways started the busy season with depleted instead of with very large stocks, and for some time we have been face to face with a very difficult position. A Committee was however established in Calcutta for the regulation of coal supplies. On the railway side we have done our best to make full use of our facilities and stock, and we do hope that the turn of the tide has come.

"Another outstanding difficulty in railway operations at the present time is that which I have already mentioned, the difficulty of getting materials. It is not a matter of working up to any ordinary standard, but really of keeping our stock and our engines in commission. The want of a few tubes may cripple an engine which is otherwise in perfect working order, and, unfortunately, it is the indispensable things which are almost unprocurable. We have had to devise, to extemporise, and in every possible way to economise, and it is this absolute need of economy which has led to the recent restrictions in passenger services. I have seen a certain amount of criticism of this step in the press. Inconveniences no doubt have resulted to the travelling public and naturally there are grumblings. But the step is inevitable, the inconvenience is an insurance—I am going to use rather a big word, but it is not, I think, too big a word—against a disaster.

"I have given two outstanding examples of our difficulties, Sir, but there are many others which occur from day to day in railway working, and the staffs of our railways have been depleted; they have given up many of their best men to what railways like every one else have to put in the forefront of requirements, that is war needs. It is not only the men who have borne the burden and heat of the day in special work in foreign countries that we have to remember, but the officers and the rank and file who under abnormally difficult conditions have kept the ordinary railway machinery running. To all of them a tribute is due for devotion to duty and for work well done."

The Hon'ble Sir Reginald Craddock to introduce the following heads of the Financial Statement for 1917-18 :—

Revenue.	*Expenditure.*
Registration.	Registration.
Jails.	General Administration.
Police.	Courts of Law.
Medical.	Jails.
	Police.
	Medical.

"Sir, in introducing the various heads of the Budget with which the Home Department is concerned, I have as usual to deal with services which, though of the greatest importance to the community, do not in their purely financial aspect usually evoke much comment or criticism. They are services in regard to which it is practically impossible to curtail expenditure. Indeed, in their case it is practically impossible to prevent expenditure increasing. War or no war, the police and the law courts have to go on with their work, documents

have to be registered, prisons have to receive criminals, hospitals to remain open for patients, and the general administration to be carried on with the added strain of the war. All that can be ensured is that, while the war is on, none but the most urgent increases should be allowed, and all general schemes for improvement and development have to be postponed altogether, or where this is not possible, introduced by the most gradual methods. I do not think the Council needs any assurance, but, on my own behalf, I can assure the Council that my Hon'ble Colleague the Finance Member is a very vigilant custodian of the public purse, and that no schemes involving any increase of expenditure can hope to win his consent, unless their urgency can be demonstrated in the most convincing way. The details regarding marked increase under the various heads with which I have to deal are explained in the Financial Statement, and I do not propose therefore to take up the time of the Council with any analysis of figures and tables, or with explanations of this or that increase in expenditure.

" I prefer to confine myself to more general observations regarding the departments which I have the honour to administer. The war has had its effects everywhere, in some cases it has exercised its silent pressure, in others its effects have been more clearly manifest. The pressure of business has in many cases necessitated extra staff in our offices, and every Department has had to bear its share and play its part.

" The greatest strain of all has fallen upon the Medical Department, a strain which under the able control and direction of Surgeon General Sir Pardey Lukis has been borne in the most remarkable way. I take this opportunity of offering my testimony to the great debt which India generally, and the Home Department in particular, owes to the very able direction by the Hon'ble Sir Pardey Lukis of the Medical Department and the untiring labours that he has given to the welfare of his profession and those whom his profession most benefits. In order to meet the demands of the military authorities in connection with the war, 346 Indian Medical Service Officers in civil employ, 207 Military Assistant Surgeons, 122 Military Sub-Assistant Surgeons and 629 Civil Sub-Assistant Surgeons have been surrendered for military duty by the Local Governments. In addition to these, 259 private practitioners and 111 Civil Assistant Surgeons have been granted temporary commissions in the Indian Medical Service for the purpose of the war. Their services have been of very great value in supplementing the medical resources of the Army. This has thrown a great strain on the resources of the Local Governments who have met the difficulties, as far as possible, in the following way:—

A.—By doubling up civil charges, *i.e.*, by placing the Civil Surgeon of one station in visiting charge of another.

B.—By placing medical officers in military employ in collateral charge as Civil Surgeons.

C.—By the employment of medical missionaries and other independent practitioners.

D.—By the re-employment of retired medical officers and medical subordinates.

E.—By replacing medical officers in charge of the big Central Jails by laymen such as members of the Indian Civil Service and Police.

F.—By the promotion of military and civil Assistant Surgeons to the charge of civil surgeoncies.

In surrendering officers from civil employ for military duty, Local Governments have been very careful to make as small demands as possible upon the professorial staff of the various medical colleges so as to interfere as little as possible with the progress of medical education.

" Turning now to Jails, our jails have not escaped the effect of the pressure, for while in some parts of India circumstances connected with the war have brought about congestion in the jail population, the war has simultaneously enabled us to relieve the congestion in a very pleasing way. Some thousands of prisoners, those convicted of less heinous crimes or crimes involving less moral depravity have availed themselves of the opportunity for service in special labour corps in Mesopotamia. Those who have volunteered for this service and have been found suitable have been receiving reasonable

wages, sufficient to permit of their allocating some portion to the support of their families and of themselves working as members of free corps and giving their service directly to the war. The sentences of these men have been suspended, and if they work well and receive good conduct, as I hope will be the case with the majority, when the campaign is over and they are set free, they have the promise of remission of their sentences. Their self-respect will have been restored to them and they should have earned enough to make a fresh start in an honest livelihood without the immediate pressure of want which may sometimes drive men back again to crime before they have had full opportunity for rehabilitating themselves.

" The efforts of the various Local Governments to reclaim the criminal tribes have often been made known to this Council, and even in this year some provision is being made in the Punjab for the inauguration of a large scheme for the regeneration and profitable employment of the criminal tribes in that province. Their services are also being enlisted for the manufacture of articles required for the war.

" I will now turn to the Police. Five years ago when I first came to this Council I had to meet a Resolution from my Hon'ble friend Mr. Basu, advocating the appointment of a Committee to inquire into the administration of the Police. I indicated in my reply what great allowances had to be made for the difficulties and troubles which the Police had to undergo in the execution of their duty, for their many temptations, for their scanty pay and for the fact that the reforms advocated by the Police Commission must necessarily be slow in operation. I counselled patience and I expressed my strong hope that under the gradual effect of the measures taken and about to be taken, under the watchful supervision of the Local Governments, under the untiring efforts of the many honourable and hardworking officers, European and Indian, under whom they serve, the improvement and reformation of the Police would steadily come about. My Hon'ble friend was sufficiently convinced to withdraw his Resolution, and I now urge upon the Council that the hopes that I had expressed, and the patience that I then counselled, have been fully justified.

" During my term of office the total annual expenditure on the police for the whole of India has increased by no less than a million sterling. I make no apology for this increase. I am proud of it. It is money well spent, and it is money for which good value has been received. By far the greater portion of it has been spent on improving the pay and grading of the humble constable and head constable, and that improvement has not yet finished. I claim for that force, a force of 200,000 in round numbers, that the cases of misconduct are surprisingly few and that such cases have been growing fewer and fewer. In a force of that size there must be many weaker vessels and many black sheep, but, as each year goes by, the tribute which the Courts pay to the honesty with which investigations are carried out is becoming greater and more pronounced. It is unreasonable to expect that every villager put into a police uniform will at once be transformed into a courteous servant of the public. But I will point to one fact, Sir, to show that the exactions commonly attributed to the lower police are greatly exaggerated. If the illicit income which these men made were of great importance and magnitude, you would not find that the grant of a rupee or two extra per month in salary would make all the difference between short and full recruitment and few and frequent resignations. It has been found in those provinces from which the Army draws most of its recruits that an increase in the emoluments of the troops necessitates a corresponding, or nearly corresponding, increase in the emoluments of the police, if recruitment is to be maintained at its proper level and resignations are to be checked. I think every one of us knows that the Indian sepoy has very few or no opportunities of adding to his lawful emoluments by illicit means, and if the police really made any substantial income by such means, the small increase made to the emoluments of the sepoy would not draw men away from the police service.

"I have often wondered, Sir, why the Press and the Indian public continue so persistently to shower abuse upon their countrymen who don the uniform

of the police. If it were beyond the power of India to produce an honest and hard-working police force, what hope would there be for the country? I do not take this gloomy view. In the Indian Police force India has a body of men of whom it should be proud. They have never gone on strikes, they have never become insubordinate, they have continued to do their work uncomplainingly in all weathers and through every stress, and have shown an example of patience, endurance and loyalty which should excite envy rather than reproach. Nor, Sir, will I exclude from my category of commendation the many officers and men of the Criminal Investigation Department, European and Indian, who have done their duty faithfully and well, and I should like to pay a tribute to the manner in which the head of that Department, my friend Sir Charles Cleveland, has guided the organisation which he so ably controls. India does not know, the public do not recognise, the services which the Criminal Investigation Department have performed in tracing out, checking and controlling the activities of the rebels, spies and revolutionaries which must be found among a population so vast as that of the Indian continent. I have never been one of those who desired to throw doubt upon the manhood and virility of Bengal. If I ever had any doubt on that score, it would have been dispelled by the example of those many fine officers of the Criminal Investigation Department, all of the Bengali race, who have sacrificed their lives in the cause of duty. If the young men of Bengal desire any inspiration it is from their police officers and not from the perverted anarchists from whom they should draw it. It is the murdered officers and not conspirators or cowardly assassins who are best fitted to wear the martyr's crown.

"Sir, I am now at the end of my term of office, and perhaps you and the Council will allow me some further indulgence upon this occasion. It has been my lot to be associated with measures like the amendment of the law of Conspiracy and the Defence of India Act. I do not regret for a moment the part that has fallen upon me to play in the passing of those laws. There was a stern necessity for them. I regret that that necessity existed, but otherwise, I not regret that I had to do my duty in respect of those laws. They are at best measures designed to repress crime, and it stands to reason that any one concerned with the Government of India would take far more pleasure in laws of constructive beneficence than in laws of repression. It is a source of great regret to me that I have not been able to carry through other measures of a beneficent constructive nature. As the Council is aware I have attempted to pass through a measure for the better protection of minors, and that measure had received wide-spread approval as a whole, but when the subject began to be examined in the details, so many points of acute controversy were produced that it was considered impossible to go on with it during the war. Similarly, in my second year of office, I visited the Andamans Settlement and formed great hopes that with the aid of a Jail Commission the Government of India might be able to take a great step forward towards the improvement of its penal system and the better reclamation of its criminals. The war has again intervened, but I trust that these reforms may after all not be long delayed. There were other matters of very general interest which I had hoped to push through during my term of office. One of these is a measure to deal with Charitable and Religious Endowments upon which the Home Department held a Conference at Delhi shortly before the outbreak of the war. Another measure with which I had been anxious to deal was the question of usury, on which I hoped we might be able to devise something to protect the poor and ignorant from the avarice of the usurer.

"All these hopes for securing great and wide-reaching benefits for the people of India have been frustrated temporarily by the war. But after all it matters little, if a Bill is a good one, by whom it is got through; and if circumstances rendered it impossible for me to enjoy the fruition of those schemes, it will still ever be a source of pride and satisfaction to me if I have been able, however, so little, to push those schemes a little further on towards realisation.

"Sir, I should like before sitting down to express in this Council my thanks to the many officers who have assisted me in the conduct of the affairs of the Home Department, particularly the Secretaries without whose loyal support I could have done nothing; and in that term I include all those who assisted them in their work, and especially I would like to bear testimony to the valuable work and assistance which a Member of Government receives from the ministerial and clerical establishments whose continual and loyal exertions and labours are known to him though they may not shine so manifestly before the general public."

The Council then adjourned to Monday, the 12th March.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915 (5 & 6 Geo. V, Ch. 61).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Monday, the 12th March, 1917.

PRESENT:

The Hon'ble Mr. G. R. LOWNDES, Vice-President, *presiding*, and 49 Members, of whom 44 were Additional Members.

* * * * * *

THE FREIGHT (RAILWAY AND INLAND STEAM-VESSEL) TAX BILL.

The Hon'ble Sir Robert Gillan:—"Sir, I move for leave to introduce a Bill to impose a tax on goods carried by railway or inland steam-vessels.

"The scope and objects of the Bill are, I hope, sufficiently defined in the Statement of Objects and Reasons which I had the honour to sign, and which is in the hands of Hon'ble Members. I need not repeat what is there said, and I do not know that it is necessary for me to add to it. The measure, as the Hon'ble the Finance Member has said, is a war measure, and it is hoped that it will add £500,000 to the resources of the Empire. I have a certain pride, therefore, in being associated as being in charge of the Bill with its inception, and I trust I shall not be taken as wanting in parental feeling towards the measure if I ask the Council to adopt it."

The motion was put and agreed to.

The Hon'ble Sir Robert Gillan:—"Sir, I move that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in the Gazette of India in English."

The motion was put and agreed to.

RESOLUTION *RE* REDUCTION OF A SUM OF THREE LAKHS FOR THE SIMLA EXODUS.

The Hon'ble Mr. Srinivasa Sastri:—"Sir, I move the following Resolution:—

'This Council recommends to the Governor General in Council that the provision made in the Budget for 1917-18 under the 'head 18—General Administration' be reduced by a sum of three lakhs, representing roughly the cost of the Simla exodus.'

"Sir, I am probably guilty of great indiscretion in bringing forward this Resolution—of rushing in where angels have for some time feared to tread.

According to an ancient story angels have always had to encounter beings who were called demons, but I am sure that I shall have no demons to encounter, and therefore venture to place this proposition for the judgment of this Council. It is an old controversy, but I do not mean to take up the administrative side. Although I am one of those who think that the evil of the exodus, both of the Government of India and of other Governments, is greater on the administrative side than on the financial side, I shall rest my case solely on the ground of economy. I hope in that way to win the regard of the Hon'ble the Finance Minister. Perhaps, the sum of three lakhs will appear too trifling to him in this connection; I am not sure that if I asked for the sum of three lakhs, or if any of my non-official colleagues had preferred the same request to him, it would not have appeared a formidable thing. This is a year of all-round economy, the shears have been applied ruthlessly everywhere. The Government of India have asked Local Governments to cut down all avoidable expenditure on education, on sanitation, on medical relief, on civil works, on railways, on everything indeed that conduces directly to the well-being of the people. Rigid economies have, at the instance of the Government of India, been effected by local administrations. Not content with effecting economies, the Government of India have found it necessary to impose special taxation on a somewhat large scale on the country. Retrenchment is then the business of the day. If that is so, should not this process of retrenchment begin with the Government of India themselves? I have heard it said, and I have been at the head of an institution for a long time, that the best way to enforce discipline is to obey the rules yourself. No member of an establishment can control his staff for a day unless he shows that he is willing to abide by the rules made for his subordinates. If retrenchment is to be applied rigorously, it should be applied to luxuries first, and whatever may be the opinion of the Governments in India with regard to their annual movements up to the hills, the non-official public —and therein I include not merely the elected representatives, but the representatives of the commercial community throughout India, the Indian Press and so on—have all held that this is a luxury. In prosperous time it might have been a permissible luxury; in times like this, I think it is a luxury we ought not to go in for. I ask, Sir, the Government of India to cut down their expenditure on the Simla exodus, because thereby they would be setting a very good example to Local Governments. Local Governments are somewhat nervous about initiating this great reform themselves. They feel perhaps that they would be giving a slap to the Government of India if they showed the way in cutting out the whole expenditure. I know that the desire for reform exists in certain local administrations at least. At any rate, there is a desire for cutting down the expenditure to the minimum dimensions possible, and if only the Government of India will show the way, I have no doubt, very good results will follow. I shall be told, I have no doubt, that Delhi is a place where it is impossible for the Government of India to stay longer than a fortnight from this. Sir, I have no experience of Delhi summer. I can well believe it is well-nigh intolerable in the summer here, it may be very hot; but everywhere it is hot, and I do not find that the residents of Delhi run away from the place, not even the European residents. I suppose with electric fans, ices and other things going round the amenities of summer life, it is perfectly possible to make Delhi summer tolerable. There is, however, one nuisance in Delhi from which I do not know how people will escape, and that is the flies, which seem to me a terrible evil. Perhaps they have some influence, which all Members of Council may not suspect, on the proceedings even of this Council. As I was speaking here on the 28th February last and making some wicked comments, I fear, on the activities of the Education Department of the Government of India, one of these pests entered my mouth and stuck in my throat. For a moment my vituperative eloquence was choked, and I was nearly suspecting that this wretched thing was in the secret pay of the Department of Education. With a vigorous effort I held him prisoner there, got through my business, and a little later a cup of hot coffee helped me to gulp him down, though I became for the time being, I am sorry to say, against the principles of my religion, a non-vegetarian.

"But, notwithstanding the flies and other insufferable evils in Delhi, I venture to place this proposition before the Government of India as one method of showing that, when economies are enforced all round, the Government of India are willing personally to feel the effects of these economies. Amongst the Indians the greatest King, the ideal Ruler, was Shri Ramachandra. Of him the people once assembled in a crowd said, 'You have been sorely afflicted, Sir, whenever we have been in sorrow'; and they said this with full significance, for the King suffered far more than they, for amongst us the Government being autocratic and personal in those days, the belief was that the King was entirely responsible for the evil that fell on the Kingdom as well as for the good that came to it. 'What have I done', the King would think anxiously, 'that my people should be afflicted in this way', and he would not rest till he had taken some remedial action. It is not impossible to devise suitable remedial action on the hills, but I invite the Government of India to show, by one touch of privation shared, that the taxpayer is felt to be kin with the tax-gatherer."

The Hon'ble Mr. D. E. Wacha:—"Sir, the subject of the Simla exodus is a very old one. I myself have been a critic in the past of the subject in the public press, and I think the subject is as old as 25 years, if not more. But I really do not know whether at this juncture the exodus charges are of such an extravagant character as they were in years gone by. The only item that I found against the Government was the one last year in the Bombay Legislative Council when I had to refer to charges of the Civil Administration. Amongst them I found one item, namely, the tour charges of the Bombay Government, which were very excessive indeed, compared with the tour charges of the Governments of the different provinces. I think I was quite justified in the observations I then made, because I found that the charges for next year were a great deal less as seen from their Finance and Revenue Accounts. Their tour charges instead of going up to one lakh and ten thousand, have come down to fifty thousand and over.

"But my Hon'ble friend Mr. Sastri has not pointed out in what direction the exodus charges should be reduced. He only calls them a luxury, and that at the present moment when everybody is speaking of economising expenditure in every direction, the Government of India should set a good example for others to follow. Academically speaking, it is a very nice proposition, but what are those economies which you would like to have? So far, Sir, as I see from the Finance and Revenue Accounts of 1915-16, which are available to us as the latest complete ones, I find that the whole of the tour charges, not only for the Government of India, but for the whole of India, that is for the different provinces put together, do not go beyond five lakhs and seventy-seven thousand. I remember, Sir, in past years they went up to thirteen and even fifteen lakhs. Compared with those years, the tour charges of the Government of India, owing possibly no doubt to the solvent criticism of the press, have been greatly reduced, and they are brought down, I believe, more or less to a minimum.

"I find, Sir, that the total charges were Rs. 3,57,000 while the special trains came to Rs. 2,19,000, and the whole came to Rs. 5,77,000. Now, taking particulars I find that out of that the maintenance and repairs of camps, etc., came to Rs. 1,02,000, then cart and railway hire came to Rs. 86,000, and there were minor charges and railway freight. But analysing the expenditure of tour charges for each province and for the Government of India, what I find is this, that the total charges of the Government of India in 1915-16 were only Rs. 2,33,000, of Bengal Rs. 53,000, Bombay Rs. 52,000, Madras Rs. 37,000, United Provinces Rs. 45,000, and Punjab Rs. 42,000. So that, Sir, practically speaking, though I am never an apologist of the tour charges myself (as I was a great critic of them in former days), I am bound in honour to confess that the tour charges are being gradually reduced, and the Government have almost brought them down to a minimum. It is just possible that there may be yet some economies which may be made in the future; but taking them as a whole, I do not think there is any cause to complain, and do not know whether it was quite expedient on the part

of Mr. Sastri at this juncture to bring forward a motion of this character, which means nothing absolutely. There is nothing very suggestive about it; and there is nothing constructive about it. If at all, were I to say anything on the administrative charges for the current year and the past, I should feel that Mr. Sastri would have perhaps been more profitably employed in pointing out to Sir Reginald Craddock how the police charges have increased wonderfully, extraordinary. I might point out how the Civil Administration charges as a whole have increased. I find that while the growth of taxation and land-revenue and railways gives us only somewhere about 22 per cent., the Civil Administration charges have gone to something like 26 per cent. That would show that the Civil Administration charges are a great deal more than what is warranted by the annual growth of revenue. Of course, this is not the time nor the juncture to go into this question at all, and you might put me out of order on the ground that it is not relevant to the Resolution, but I do say this, that Mr. Sastri would have done well had he taken up some question of the Civil administrative charges under Sir Reginald Craddock, and pointed out where economies might have been made, and that would have been a more suggestive proposition than this academic one which means nothing. I am sorry I must oppose the Resolution, Sir."

The Hon'ble Sir Reginald Craddock:—"Sir, if by opposing this Resolution I fall into the class of 'demons' to whom the Hon'ble Mr. Sastri referred as the combatants with whom together with other winged tormentors, he like an angel, has to contend, at any rate I shall have with me my friend the Hon'ble Mr. Wacha in the same class of 'demons'; and this is a considerable source of comfort to me. Mr. Sastri has tried to limit himself to the purely financial aspect of this proposal. He said that he would not touch on the administrative arguments, but it is practically impossible to separate the two, and on the financial side the Hon'ble Mr. Wacha has saved me the trouble of saying very much, though he has indicated that, after all, the amount of economy that could be effected, even on his figures, would be a very small consideration. But I cannot help feeling that the Hon'ble Mr. Sastri has been a little unkind. We are always told about the sun-dried bureaucrat, and I should have thought that he would not have wished to have 'sun-dried' still more the already 'sun-dried' bureaucrat; I should have thought that he would have welcomed the expectation that the cool breezes of the heights, reminding these poor sun-dried men of a cooler climate, would infuse into them also more ideas drawn from more temperate climes which they are supposed to lose when they work in the plains of India."

The Hon'ble Pandit Madan Mohan Malaviya:—"Does experience encourage that idea?"

The Hon'ble Sir Reginald Craddock:—"Sir, I will not say very much about whether experience encourages the idea or not; I leave that for others to judge. But I claim to be a fairly impartial witness on the subject of journeys to the hills. To begin with, as far as I am concerned, I should personally have no objection whatever to accepting the Resolution, and I could go home and think of my Colleagues working among the flies of Delhi. But even at this time I do not want to incur their displeasure as I have still a little time to run, and therefore I feel bound to defend them as well as I can. And I can claim to be an impartial witness because during my first 27 years of service, the longest time I spent in the Himalayas was one week, and out of the 27 years, I spent two-thirds, or 18 years, working in the plains throughout the hot weather. Now at that time and at that period one is able to stand fatigues of heat in a way that one cannot do later on, and I can assure the Council that I used to consider myself as able to work at any temperature, even up to 115°, but one found that, as years went on, each year took one degree or so off the temperature at which one could work, and at the end of the 27 years, I am bound to give my testimony that the work which one can do on the heights of Simla is far more efficient than what one could do in the plains. I should like to quote what Sir Henry Maine said on this subject.

Fifty years ago Sir Henry Maine wrote justifying the exodus to Simla on the ground of economy of physical and mental energy. He said:—

'For the first time during any period of its history which I have been able to trace, the Government of India is abreast of its work and without arrears, and this too in face of an extraordinary increase of business.'

"He attributed it partly to the change to Simla during the hot weather and to the circumstance that nearly all the functionaries attached to the Supreme Government enjoyed a fairly good climate during those months in which, according to his experience, the machine of Government in the climate of Calcutta worked at half power. Lord Northbrook (and this is another witness) in 1876, on the point of leaving India, justified the exodus to Simla on grounds of health, and said he was satisfied that more good work could be done in the summer at Simla than at Calcutta. I should also like, while making old quotations of former days, to quote some remarks made by Lord Dalhousie. He said:—

'And if, during the intervals of summer and rains when the climate prohibits all movement in the plains, the Governor General resides in the Hills, where is the evil? What practical good would result to the State by the Governor General remaining at Lahore or Umballa, exposed to the fierce heat of the plains instead of residing in the temperate climate of Simla? (He was speaking then of the Viceroy himself.) Is a gentleman lately from Europe, unacclimatized to tropical seasons, and usually not in his youth, less likely to perform his duties well because he discharges them under the bracing influence of mountain air, instead of under the furnace-blast of the hot winds? And . . . . is his usefulness likely to be diminished because he comes back to his head-quarters with his frame invigorated by a refreshing visit to the European climate of the Hills? In short, is it in common sense and reason to be contended that the Governor General does not faithfully discharge his public duties unless he takes the most likely method of rendering himself wholly unfit for them by a continuous residence in the torrid atmosphere of the plains?

'I did not go to the hills because I was sick. I did not go there to amuse myself, or to enjoy myself. I went because my presence somewhere on the North-West Frontier was requisite, and as during five months of the year movement in the plains was impracticable, I spent them in the hills because there I could serve the Company more laboriously and more effectually than if I had been in the plains.'

"No one, Sir, could accuse Lord Dalhousie of being lacking in energy and industry, and those are remarks which stand true to this present day certainly of all those who like the Viceroy and Members of Council from England come out to this country at a more advanced age and even more, I contend, of those who have spent their days and done their time in the scorching plains below.

"Sir, I think that a great deal of misapprehension surrounds this question simply because the doings of Simla are represented as if they were mere gaieties in the round of a modern Capua, and as if amusement were the only object with which people went there and the sum total of their lives. There can be no greater mistake because the workshop of the Indian Empire is really at Simla, when there is leisure for reflection and for work amidst cool surroundings, and I can only say, if the Government of India were to decide to stay down in the plains, that, in place of these harmless recreations which they can get, you would hear of very long and protracted noonday siestas, which would occupy many more hours than any amusements in Simla.

"But, Sir, the whole tenor of my argument has been that you could not separate administrative arguments from the financial ones. It is entirely false economy if the work that you render for the pay drawn is less efficient: the saving is really in name.

"The Hon'ble Mr. Sastri referred to the members who represent European commerce in this Council, whom my friend the Hon'ble Mr. Basu once playfully described as 'merchant adventurers.' Well, Sir, far be it from me to decry merchant adventurers, for it was on the enterprise of merchant adventurers that the whole Empire was built up, and, if it had not been for the enterprise of the early merchant adventurers in India, I doubt whether the Hon'ble Mr. Sastri or any of us would have been addressing this Council to-day. But I do find—and I am very glad to find—that those of my Hon'ble colleagues who represent the business interests of Calcutta and Bombay have not joined the opposition in regard to this

exodus. They recognise, I think, that there is really no comparison between the business transacted in Calcutta and Bombay and the business that has to be transacted by the Government of India in Simla. There are two kinds of work in which Government is engaged. Some of these relate to men, and some of these relate to measures. Where you are dealing entirely with men, whatever be the climate, you have to stay down among men, and that is why the Calcutta houses, the banks and the judges and so on have to transact their business in the plains. But it is only fair to say that in the case of Calcutta firms the heads of those firms who are in a position in some way corresponding to the Government of India, either disappear altogether and manage the affairs of the firms from London or else, as they get a little older, they generally take leave home at least every other year. Therefore, I do not think that any comparison between their work and the work of the Government of India can be fairly drawn to the disadvantage of the latter. If you want to compare those officers of Government who bear comparison most with the members of the firms in Calcutta, then you have got to go to your Collectors, your Commissioners, your Judges, your policemen, your engineers and all that busy class of workers who spend their time in the plains.

"Now, Sir, if this Resolution had been brought some 30 years ago, when I began my service—at least in the part of the country that I knew—there might have been something more to have been said for the view which the Hon'ble Mr. Sastri has put forward. But, now-a-days, I find that Indians who are possessed of any means—members of the Bar and those who conduct businesses—are just as anxious to get away to cooler climates, and having been there, I have heard many of them say that they no longer think that the exodus of Government to hill stations or to Simla is a useless luxury.

"Lastly, as my Hon'ble Colleague the Finance Member could have more easily explained, there is not even any financial economy in the particular suggestion that the Hon'ble Mr. Sastri has made, namely, that we should suddenly upset our plans at this eleventh hour and decide to transact our business in Delhi during the coming months. He surely cannot be so unkind as to say that so many officers, and not only officers, but so many clerks, European and Indian, should spend the next few months and the rains under canvas without an atom of shade. But, unless that were done, the only other course would be to build extensive shelters suitable for the hot weather and the rains for the whole establishment of the Government of India. Nay, further, it would be necessary to call down many of those who are at Simla and extend the accommodation yet wider, for Council must recognise that the arrangements at Delhi now are still of a very temporary character. A great deal of the work that has been done involves constant goings and comings between Delhi and Simla of papers, and telephone messages, and when Hon'ble Members put us questions which we want to answer satisfactorily, there is a great deal of time lost in obtaining the information and in the passage of files hither and thither. On the contrary, if we were to go in for economy, pure and simple, such as the Hon'ble Member advocates, then the surest method of arriving at that economy would be not to come down to Delhi at all, but to stay in Simla throughout the winter. I hope, therefore, that, when I ask the Council to disagree with the Hon'ble Member, they will be ready to follow me in that disagreement. I know that the Hon'ble Mr. Sastri is very devoted to the cause of India, and belongs to a society for which I have the greatest respect, the 'Servants of India'; but I hope that we sun-dried bureaucrats whom, as I have said before, he is trying to sun-dry more, may also claim likewise in our way to be Servants of India".

The Hon'ble Mr. Srinivasa Sastri:—"Sir, the Hon'ble the Home Member has given me a soft answer and he has succeeded in turning away my wrath, although I am afraid he has not succeeded in weakening my convictions. I do not, therefore, Sir, ask that this Resolution should be put to the vote: both in deference to him and in still greater deference to the Hon'ble Mr. Wacha from Bombay I would withdraw this Resolution, but after I have dealt with a few of their remarks, which seem to me to call for a reply.

"In the first place, the Hon'ble the Home Member said that there are vakils, merchants and other people, natives of this country, who find it necessary to go up to the hills and who therefore have withdrawn the opposition which they originally made to the exodus in the name of India. There is one prominent difference between the vakils and richer classes who rush up to the hills during the vacation, and the officials of the Government of India. If the latter want to be placed on the same footing, I have no objection whatsoever. The vakils and richer classes pay the cost of their exodus: would the officials of the Government of India care to submit themselves to that test? I should like to see how many of them would really go up to the hills. Many probably would prefer to stay on in the plains, especially when they think of the enormous sums which they have to send to England for the education of their sons and daughters. However, that is a trifling point.

"I remember, Sir, an episode in the Madras Presidency more than fifteen years ago. I am not quite sure of the date now, nor am I perfectly sure that in narrating the story I shall not indulge in a few of those pardonable licenses which the story-teller takes to himself. There occurred a very severe famine in one of the districts of Madras. The papers were full of harrowing tales of the sufferings of the people. Some missionary gentlemen got up a subscription list, rescue parties went about offering relief, and there were loud calls in the papers on the Government of Madras to examine the matter and undertake relief measures, but the Government of Madras happened then to be in Ootacamund. The relief did not come. But at the same time the Anglo-Indian papers of Madras were full of delectable details regarding a certain devil dance that was taking place in the hill-station. People were wroth, and I believe matters went so far that a question was asked in Parliament, and then of course Secretariat pens were busy and a certain amount of Secretariat ingenuity was shown in confuting the alleged popular fallacy, that while the devil gave his name to the dance, he likewise actually took part in it in person or by proxy. The devil dance could not really have affected the famine district, nor could a Member of Council coming down from Ootacamund at that time have necessarily done very much more than the district officer was perhaps doing. But I think the situation was this. People felt that while there was acute suffering in one of the districts of the Presidency, it was not seemly, it was not decent, that the Government of Madras should be away in the hills, apparently reclining at ease like gods, 'careless of mankind.'

"I do not say, Sir, that such a thing is probable now, but it *may* occur now and again, and that is why we always expect that there should be some correspondence, some parity between the state of things in the country at large and the state of things in the Government of India. But I will let that pass.

"I have now to deal with the Hon'ble Mr. Wacha, who, after many years spent in the service of this country in looking after the finances of the Government, has now come to the conclusion that this is not the proper juncture for discussing the exodus which the Government make to the hills annually. I must bow to his advice. But he is, I fear, content with very small things. Having succeeded, by constant battering at the door of Government, in getting the budget estimate on the exodus head cut down, he seems to rest on his oars and think that nothing more need be done. At any rate, he says this is not the juncture. Now I wish to ask, what is the juncture? If a year of absolute and rigid economy does not afford a favourable opening for this subject being taken up, when in the world is the Hon'ble Mr. Wacha going to find in prosperous times an occasion for asking that the exodus should be wholly done away with? Perhaps he has become reconciled to the whole thing now that, as he thinks, it has been brought within manageable proportions. If that is so, I must ask leave to differ from him totally, and I think, Sir, that if ever the people's representatives got that control over the finances of the country which they desire, this item of the exodus, small though it is, would be considered incongruous in an Indian Budget and would be almost the first to disappear from the annual estimates.

"Having said so much, I will defer to the advice of my Hon'ble friend Mr. Wacha and withdrawn the Resolution."

The Resolution was by permission, withdrawn.

The Hon'ble Sir William Meyer:—"Sir, I beg to introduce the following heads of the Financial Statement for 1917-18:—

Revenue.	*Expenditure.*
Opium.	Refunds.
Interest.	Opium.
Mint.	Stamps.
Receipts in aid of superannuation	Income-tax.
Exchange.	Interest on obligations other than the Public Debt.
Miscellaneous.	Mint.
	Civil Furlough and Absentee Allowances.
	Superannuation Allowances and Pensions.
	Exchange.
	Miscellaneous.
	Reduction or Avoidance of Debt.

"I need add nothing to what has been said in respect of these matters in my speech introducing the Financial Statement as a whole, and in the supplementary memorandum of my friend the Hon'ble Mr. Brunyate."

The Council then adjourned to Tuesday, the 20th March, at 11 a.m.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915 (5 & 6 Geo. V, Ch. 61).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Tuesday, the 20th March, 1917.

PRESENT:

The Hon'ble MR. G. R. LOWNDES, *Vice*-President, *presiding* and 61 Members, of whom 54 were Additional Members.

* * * * * * *

FREIGHT (RAILWAY AND INLAND STEAM-VESSEL) TAX BILL.

The Hon'ble Sir Robert Gillan:—"Sir, I beg to move that the Bill to impose a tax on goods carried by railway or inland steam-vessel be taken into consideration.

"I explained briefly the objective of this measure when it was introduced, and I have only now one further point to bring to the notice of the Council. We have had some representations from the Steamer Companies. They say that they are in compatition with country boats, and that they ought not to be taxed unless at the same time a tax is laid on the traffic by country boats. The point is one that we had considered, and I think that the Council will see our difficulty. We did not at all wish to tax traffic by country boats any more than we wished to tax cart traffic, and if we had, the thing would not have been practicable. We had to recognise, therefore, that in certain cases there might be inequality of treatment. At the same time we did not desire that in any case the tax should operate harshly. The solution we thought was to take power to make exemptions where they were shown to be necessary. For instance, in the case of steamer traffic, as in the case of railway traffic, it may well be found desirable to exempt goods which are carried for less than a certain distance. At any rate, we shall be prepared to investigate cases of hardship, and with the powers which the Government propose to take, we have no doubt that we shall be able to remove any real cause of complaint."

The Hon'ble Mr. Rangaswami Ayyangar:—"Sir, there are certain things that are carried in truck loads and ballast loads such as earth, brick, chunam, metals for the roads and water which should not be measured in maunds. There are also agricultural implements, seeds and manures which should be excluded from the surcharge. It is hoped that all these goods will be exempted under the discretionary powers vested in His Excellency's hands."

The Hon'ble Rai Sitanath Ray Bahadur:—"Sir, I am connected with a Steam Navigation Company, and after the explanation given by the Hon'ble Member in charge of the Bill, I would not raise any objection to it, but I would support the Bill."

The Hon'ble Sir Robert Gillan:—"Sir, I should only like to say, with reference to what has fallen from the Hon'ble Mr. Ayyangar, that the cases that he has mentioned will be considered by us; and the case of road metal carried for District Boards is a case which *primâ facie* appears to us one in which an exemption ought to be granted. I now beg to move that the Bill be passed."

The motion was put and agreed to.

The following Act of the Indian Legislative Council received the assent of the Governor-General on the 21st March, 1917, and is hereby promulgated for general information :—

ACT NO. XIII OF 1917.

An Act to impose a tax on goods carried by railway or inland steam-vessel.

WHEREAS it is expedient to impose a tax on goods carried by railway or inland steam-vessel; It is hereby enacted as follows :—

Short title and commencement.

1. (*1*) This Act may be called the Freight (Railway and Inland Steam-vessel) Tax Act, 1917.

(*2*) It shall come into force on the first day of April, 1917.

2. In this Act—

Definitions.

the expression "administration" and the expression "inland steam-vessel" have the meanings respectively attributed to them by the Indian Railways Act, 1890, and the Inland Steam-vessels Act, 1917 ;

IX of 1890. I of 1917.

"prescribed" means prescribed by rules made under this Act ;

"vessel" means anything made for the conveyance by water of human beings or of property.

Imposition of tax on goods carried by railway or inland steam-vessel.

3. (*1*) Subject to the provisions of this Act, there shall be levied and collected on goods carried by—

(*a*) any railway in British India, or

(*b*) any inland steam-vessel in British India, a tax at the rate specified in that behalf in Schedule I.

Explanation: goods carried on a vessel towed by an inland steam-vessel shall for the purposes of this Act be deemed to be goods carried by the inland steam-vessel.

(*2*) The tax imposed by sub-section (*1*) shall be collected by means of a surcharge on freight, by the administration of the railway or the owner of the inland steam-vessel by which the goods are carried, and shall be paid to the prescribed authority in the prescribed manner within the prescribed time, after making such deduction as may be prescribed to meet any expenses incurred in connection with the collection of the tax.

(*3*) The owner of every inland steam-vessel referred to in sub-section (*1*) shall prepare and deliver, or cause to be prepared and delivered, to the prescribed authority, each quarter, a return, in the prescribed form, of all goods carried by such vessel in respect of which the tax imposed by that sub-section is payable, and shall subscribe, at the foot of such return, a declaration of the truth thereof :

Provided that where goods are deemed to be carried by an inland steam-vessel, the owner of the towed vessel shall, if so required by the owner of the inland steam-vessel certify the particulars of the goods carried on the towed vessel, and shall subscribe at the foot of the certificate a declaration of the truth thereof, and in that case the owner of the inland steam-vessel may incorporate all or any of such particulars in his return and shall only be bound in respect of such particulars to subscribe to his return a declaration that they are true to the best of his knowledge and belief.

(*4*) Every such return shall be delivered to the prescribed authority within thirty days after the end of the quarter to which it relates.

Rule-making power.

4. (*1*) The Governor-General in Council may, by notification in the Gazette of India, make rules for carrying out the purposes of this Act.

(*2*) In particular and without prejudice to the generality of the foregoing power, the Governor-General in Council may make rules—

(*a*) regulating the collection of the tax imposed by this Act, and providing for the authority to which, and the time and manner in which, such tax shall be paid,

(*b*) prescribing the form of the returns required by this Act, and the particulars to be contained therein, and the manner in which the same is to be verified,

(*c*) prescribing any other method than actual weighment for ascertaining the amount of the tax imposed by this Act, and

(*d*) providing for any other matter which by this Act is to be prescribed.

(*3*) In making any rule under this section, the Governor-General in Council may direct that a breach of it shall be punishable with fine which may extend to five hundred rupees.

Offences.

5. The offences mentioned in column 1 of Schedule II shall be punishable to the extent mentioned in column 2 thereof with reference to such offences respectively.

6. The Governor-General in Council may, by notification in the Gazette of India, exempt, either in whole or in part, and either absolutely or subject to such conditions as he may prescribe, any goods or class of goods from the tax imposed under this Act.

Power to exempt.

SCHEDULE I.

[*See section 3.*]

1	2	3
Goods.	Unit.	Rate.
Coal, coke, and firewood	Per Indian maund of 82⅔ lbs. avoirdupois weight.	One pie.
All other goods	Per Indian maund of 82⅔ lbs. avoirdupois weight.	Two pies.

SCHEDULE II.

[*See section 5.*]

1	2	
(1) Omitting to make any return or certificate referred to in section 3 (*3*) or refusing to sign or complete the same.	Fine not exceeding one thousand rupees.	
(2) Making and delivering any such return or certificate containing any statement not true to the best of the information and belief of the person making the same.	The penalty provided in section 177 of the Indian Penal Code for furnishing false information to a public servant.	XLV of 1860

A. P. MUDDIMAN,

Secretary to the Government of India.

Speech of the Honourable Finance Member

INTRODUCING THE

BUDGET FOR 1917-18.

I rise to present the Budget of the Government of India for 1917-18. The preliminary estimates which I laid before the Council on the 1st March have been revised in the light of our latest information. The Financial Secretary's Explanatory Memorandum has also been checked and brought up to date.

2. The final figures of the Revised Estimate for 1916-17 and of the Budget Estimate for 1917-18 are given in the separate formal statements. The broad results of the revenue account are brought out in the table below in which I have also shown in brackets, for convenience of comparison, the figures (now superseded) which were given in the corresponding table appearing in paragraph 70 of my speech introducing the Financial Statement.

[In millions of pounds.]

	Budget, 1916-17.			Revised, 1916-17.			Budget, 1917-18.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue . .	55·525	30·603	86·528	64·838 (64·883)	31·936 (31·951)	96·774 (96·834)	66·420 (66·563)	32·451 (32·288)	98·871 (98·851)
Expenditure . .	55·099	30·956	86·055	58·849 (59·06)	30·329 (30·390)	89·178 (89·455)	66·284 (66·433)	32·549 (32·386)	98·833 (98·819)
Surplus (+) or deficit (−).	+·826	—·353	+·473	+5·989 (+5·818)	+1·607 (+1·561)	+7·596 (+7·379)	+·136 (+·130)	—·098 (—·098)	+·038 (+·032)

3. The effect of our corrections in the Revised Estimate for the current year is to raise the Imperial surplus previously announced by £171,000 and the Provincial surplus by £46,000. On the Imperial side we have reduced the estimate for Railway gross receipts by £100,000 with reference to recent returns, but expect a counterbalancing saving under working expenses. The principal variation, however, which accounts for the entire improvement in the surplus, is a reduction, expected at home, of £195,000 in the net expenditure under Military Services. The improvement in the Provincial surplus is due to some further saving in the anticipated expenditure under Civil Works.

4. As regards the Budget of the next year, the net effect of the changes made is negligible, the Imperial surplus being now estimated at £136,000 as compared with £130,000 taken in the Financial Statement, while the small Provincial deficit of £98,000 remains unchanged.

As I mentioned in paragraph 54 (7) of my speech on March 1st, we are allotting the profits on our wheat scheme, amounting to £158,000, to the Local Governments, apart from a small sum reserved for expenditure under the orders of the Government of India. At the time the Financial Statement was introduced the allocation had not been settled, and the whole amount was, therefore, provisionally exhibited as Imperial expenditure under the Miscellaneous head. The Secretary of State has now approved our proposals for distributing the amount between the different provinces as announced in the Council a few days ago by my Honourable Colleague Sir Claude Hill. Accordingly the debit to the "Miscellaneous" head has been excised, and the grants proposed, excluding the small Imperial portion, now appear on the Imperial side as transfers from Imperial to Provincial, while on the Provincial side a corresponding receipt is shown under the transfer head and the equivalent expenditure under the head "Agriculture."

5. Turning to ways and means, we have made two important changes. In the first place, instead of providing for the whole of our war loan receipts—provisionally taken at £10 million—in 1917-18, we are taking £3 million as likely to be

received in the current year and £7 million next year. This raises our closing balance in India for 1916-17, but will not affect our expected closing balance on the 31st March 1918. Secondly, we have assumed that, in addition to the silver purchases for which we have previously made specific provision, the Secretary of State will buy some £2 million more in 1917-18. As we shall get a corresponding credit on this side, this will not affect our total closing balances on the 31st March 1918, but will mean that we shall have £2 million more in India than would otherwise have been expected and the Secretary of State £2 million less at home. I will allude again presently to both these points, but mention them now in order to clear the ground.

6. Coming then to the Revised Estimate for the current year, we expect that, apart from the war loan receipts just referred to, our aggregate closing balances on the 31st of this month will be about £600,000 less than was assumed in the Financial Statement. This deterioration is distributed almost equally between India, where it is the net result of a number of minor variations, and England where the fluctuations are somewhat more important. Thus the Secretary of State now expects to recover £1½ million less of war expenditure in the current year, and a correspondingly larger amount in 1917-18. On the other hand, he puts the payments for his purchases of silver at about £¾ million less, providing for this amount in 1917-18 instead and as already stated, anticipates about £200,000 less of military expenditure as well as smaller outgoings under other heads.

7. As regards the coming year, we anticipate that our total closing balance on the 31st March 1918 will be £17½ million, or about £½ million better than was assumed in the Financial Statement. But for the special purchases of silver already mentioned, this would have represented a deterioration of £1½ million in our Indian balances counterbalanced by an improvement of roundly £2 million in the home balances. The reduction in our resources here is due to an increase in the estimate of our remittances to East Africa. These form part of the heavy recoverable war expenditure with which I dealt so fully in introducing the Financial Statement. A correspondingly larger recovery in London, together with certain other improvements on the English side this year and next, account for the larger balances which the Secretary of State now expects to hold.

8. As the Council will remember, we provided in the Financial Statement for a closing balance in India on the 31st March 1918 of £11¾ million which is slightly below the standard at which we usually aim; and a further charge of £1½ million, owing to the increase in recoverable war expenditure, would reduce our balances to an inconvenient extent. For this reason we have now assumed that the Secretary of State will purchase at least £2 million worth of silver in 1917-18, in addition to the item of £¾ million to which reference has already been made. Our closing balances as a whole are expected to be ample, and this arrangement effects a proper distribution as between England and India. It is closely parallel in fact to the normal arrangement by which the particular figure which we take in our Budget as the estimate for the Secretary of State's Council sales is determined not by our anticipations of the probable trade demand, but by the transfer required to effect a proper distribution of our balances. Our discretion, therefore, in regard to the actual amount of silver which we shall ultimately purchase is in no way limited, and as to this I need not repeat what I said in paragraph 75 of my speech introducing the Financial Statement. Also, as this entry for the purchase of silver is a mere adjusting figure, we have not complicated the estimates by making consequential provision at this stage in respect of profits on coinage or mint receipts.

9. As regards the Indian War Loan, the entire proceeds of this large financial operation really appertain to the coming financial year, and there would have been some convenience if they could have been so shown. As, however, the loan has been opened a fortnight before that year commences, and is meeting with an immediate and exceedingly gratifying response, so that not merely applications but actual cash payments have come in on a large scale, we must of course exhibit such payments as debt raised in the current year. On the opening day the loan payments amounted to as much as £900,000 out of about £1 million subscribed, and we are not, I hope, unduly sanguine in assuming as we have done that by the 31st March we shall already have obtained some £3 million out of the total of £10 million which the loan is assumed to yield. I need hardly say that in adhering for the time being to the latter figure I do not wish it to be taken as my personal opinion, or that of the Government of

India, that we may not hope for considerably more. The favourable reception of our loan proposals, and the energy and enthusiasm with which they are being taken up by so many patriotic helpers all over the country, do much to encourage such a hope; and as the Council are well aware, we shall only be too gratified to be able to hand over a far larger sum to His Majesty's Government. Our ways and means estimates, however, are drawn up largely with the object of enabling us to see how far we can meet all demands upon us in a period of special difficulty, and the figure £10 million really represents the minimum amount which is required with reference to our war expenditure in India rather than any definite forecast (which it would be idle to attempt at present) of the full amount which we may hope for.

10. While referring to this question of the probable yield of the loan, I may mention one particular direction in which there is undoubtedly a clear possibility of our provisional estimate being exceeded. In our ways and means forecast we have assumed that the savings bank deposits of the period will accrue to much the same extent as if we had been floating an ordinary loan with the usual post office section but with no extraordinary attractions. In effect, therefore, our estimate of a £10 million yield is exclusive of any sum which we may nominally obtain by transfer from savings bank deposits to Post Office cash certificates. But the more widely the advantages of these certificates become appreciated, the more likely it will be that the savings bank investor will place his money in this new form rather than as a bank deposit earning only 3 per cent. It is quite possible, therefore, that there may be a large transfer to the cash certificate form. This will not affect our resources in India, though it will of course entail a larger payment to His Majesty's Government at home. On the whole, therefore, we have thought it better to estimate for savings bank deposits on normal lines, as above explained, rather than to make some purely speculative estimate of the extent to which this process of transfer will proceed.

W. S. MEYER.

The 21st March 1917.

BUDGET

OF THE

GOVERNMENT OF INDIA

MARCH 1917.

ACCOUNTS	1915-16
REVISED ESTIMATES	1916-17
BUDGET ESTIMATES	1917-18

CONTENTS.

	PAGES
I.—GENERAL STATEMENT of the REVENUE and EXPENDITURE charged to REVENUE of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	150—151
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	152—153
A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND	154—155
B.—STATEMENT of the EXPENDITURE charged to the REVENUES of INDIA, in INDIA and in ENGLAND	156—159
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	160—163
D.—STATEMENT of REVENUE, EXPENDITURE, and BALANCES of PROVINCIAL GOVERNMENTS . .	164
E.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	165
MEMORANDUM EXPLAINING the DETAILS of the ESTIMATES	167—277
APPENDICES	279—326

I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1915-1916.	Budget Estimate, 1916-1917.	Revised Estimate, 1916-1917.	Budget Estimate, 1917-1918.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	22,031,161	21,932,100	22,023,500	22,218,200
Opium	„	1,913,514	2,286,900	3,153,100	3,389,300
Salt	„	3,647,587	3,987,600	4,785,900	3,972,900
Stamps	„	5,433,632	5,483,800	5,800,900	5,952,100
Excise	„	8,632,209	8,551,300	9,149,200	9,328,200
Customs	„	5,373,886	7,698,000	8,625,800	9,394,800
Other Heads	„	5,334,386	6,120,800	7,092,800	8,594,900
TOTAL PRINCIPAL HEADS	...	52,866,375	56,060,500	60,631,200	62,850,400
Interest	A	1,096,417	1,175,300	1,110,100	2,095,700
Posts and Telegraphs	„	3,787,478	3,876,900	4,176,700	4,345,700
Mint	„	101,918	72,900	624,600	139,100
Receipts by Civil Departments	„	1,579,904	1,549,900	1,694,400	1,706,300
Miscellaneous	„	679,488	565,100	806,500	743,000
Railways: Net Receipts	„	17,977,103	16,955,000	20,981,600	20,253,000
Irrigation	„	4,779,079	4,837,400	4,966,200	5,125,300
Other Public Works	„	304,035	269,700	313,400	285,200
Military Receipts	„	1,241,740	1,165,900	1,469,800	1,327,100
TOTAL REVENUE	...	84,413,537	86,528,600	96,774,500	98,870,800
DEFICIT	...	1,188,661	...	...	...
TOTAL	...	85,602,198	86,528,600	96,774,500	98,870,800

DELHI,
FINANCE DEPARTMENT,
March 21, 1917.

R. A. GAMBLE,
Comptroller General.

Revenue, of the Government of India, in India and in England.

	For details, *vide* Statement.	Accounts, 1915-1916.	Budget Estimate, 1916-1917.	Revised Estimate, 1916-1917.	Budget Estimate, 1917-1918.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	9,467,370	9,450,600	9,491,700	10,027,500
Interest	„	1,190,364	989,700	770,500	6,832,800
Posts and Telegraphs	„	3,149,680	3,503,500	3,555,600	3,601,900
Mint	„	89,373	90,300	172,500	108,600
Salaries and Expenses of Civil Departments	„	18,868,215	19,340,000	19,630,100	21,089,800
Miscellaneous Civil Charges	„	5,128,675	5,283,300	5,386,600	5,419,200
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	13,901,665	14,217,100	14,185,300	14,147,400
Irrigation	„	3,721,096	3,770,900	3,678,600	3,834,100
Other Public Works	„	5,451,727	4,744,200	4,683,100	5,544,800
Military Services	„	23,503,093	23,665,900	26,624,800	27,227,100
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	85,471,258	86,055,500	89,178,800	98,833,200
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	335,711	13,800	1,641,200	240,300
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	*204,771*	*366,400*	*34,200*	*338,100*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	85,602,198	85,702,900	90,785,800	98,735,400
SURPLUS	...	...	825,700	5,988,700	135,400
TOTAL	...	85,602,198	86,528,600	96,774,500	98,870,800

M. M S. GUBBAY,
Offg. Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1915-1916.	Budget Estimate, 1916-1917.	Revised Estimate, 1916-1917.	Budget Estimate, 1917-1918.
		£	£	£	£
Surplus	C	...	825,700	5,988,700	135,400
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	„	3,472,346	3,000	...	...
Capital contributed by Native States towards construction of State Railways	„	66,667	66,700	66,700	66,700
Capital raised and deposited by Railway Companies (net)	„	393,201	671,900	733,000	318,600
TOTAL CAPITAL ACCOUNT RECEIPTS		3,932,114	741,600	799,700	385,300
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	2,379,834	3,822,100	6,692,400	6,416,700
Unfunded Debt (net incurred)	„	899,842	254,700	1,675,000	1,926,700
Deposits and Advances (net)	„	5,829,927	1,037,700	1,560,000	787,900
Loans and Advances by Imperial Government (net Repayments)	„	15,103	...	...	...
Loans and Advances by Provincial Governments (net Repayments)	„	303,232	431,300	547,500	262,500
Loans to Local Boards for Railway Construction	„	7,709	8,000	8,000	8,300
Remittances (net)	„	...	59,100	...	...
Secretary of State's Bills drawn	„	4,590,034	3,885,000	9,669,000	...
Sterling Bills on London	„	4,668,000	...	...	...
TOTAL DEBT, DEPOSITS AND ADVANCES		18,698,681	9,497,900	20,151,900	9,402,100
TOTAL RECEIPTS	...	22,630,795	11,065,200	26,940,300	9,922,800
Opening Balance—India	...	14,779,334	11,451,934	12,016,056	15,142,656
England	...	(a) 7,913,236	(a) 14,475,536	(a) 12,803,348	(a) 11,419,648
TOTAL	...	45,323,365	36,992,670	51,759,704	36,485,104

(a) Include balances of the Gold Standard Reserve as shown

R. A. GAMBLE,
Comptroller General.

DELHI,
FINANCE DEPARTMENT,
March 21, 1917.

Government of India, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1915-1916.	Budget Estimate, 1916-1917.	Revised Estimate, 1916-1917.	Budget Estimate, 1917-1918.
		£	£	£	£
Deficit	C	1,188,664	...	...	...
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	"	812,953	900,000	590,300	600,000
Outlay on State Railways	"	4,776,112	2,801,900	1,293,100	3,224,200
Initial outlay on new Capital at Delhi	"	331,274	266,700	266,700	266,700
Outlay of Railway Companies (net)	"	439,753	951,100	1,056,800	648,400
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	6,360,092	4,919,700	3,206,900	4,739,300
Debt, Deposits and Advances—					
Temporary Debt (net discharged)	C	3,000,000	1,500,000	11,000,000	333,300
Loans and Advances by Imperial Government (net Advances)	"	...	44,700	37,700	120,700
Remittances (net)	"	241,434	...	2,366,900	7,279,800
Secretary of State's Bills paid	"	5,045,774	3,885,000	8,585,900	466,700
Sterling Bills on London	"	4,668,000	...	...	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	12,955,208	5,429,700	21,990,500	8,200,500
TOTAL DISBURSEMENTS	...	20,503,961	10,349,400	25,197,400	12,939,800
Closing Balance—India	...	12,016,056	12,260,234	15,142,656	12,190,456
England	...	(a) 12,803,348	(a) 14,383,036	(a) 11,419,648	(a) 11,354,848
TOTAL	...	45,323,365	36,992,670	51,759,704	36,485,104

(a) See the notes on pages 162 and 163.

M. M. S GUBBAY,
Offg. Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1915-1916.					REVISED	
	India	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
Principal Heads of Revenue—	£	£	£	£	£	£	£
I.—Land Revenue	22,031,161	...	22,031,161	10,763,350	11,267,811	22,023,500	...
II.—Opium	1,913,514	...	1,913,514	1,913,514	...	3,153,100	...
III.—Salt	3,647,587	...	3,647,587	3,647,587	...	4,785,900	...
IV.—Stamps	5,433,632	...	5,433,632	2,767,911	2,665,721	5,800,900	...
V.—Excise	8,632,209	...	8,632,209	2,400,483	6,231,726	9,149,200	...
VI.—Provincial Rates	41,845	...	41,845	255	41,590	30,500	...
VII.—Customs	5,873,886	...	5,873,886	5,873,886	...	8,625,800	...
VIII.—Income Tax	2,090,109	...	2,090,109	1,136,689	953,420	3,601,400	...
IX.—Forest	2,074,425	...	2,074,425	76,419	1,998,006	2,314,900	...
X.—Registration	518,879	...	518,879	6,099	512,780	541,900	...
XI.—Tributes from Native States	609,128	...	609,128	609,128	...	604,100	...
Total	52,866,375	...	52,866,375	29,195,321	23,671,054	60,631,200	...
XII.—Interest	892,333	204,084	1,096,417	731,569	364,848	848,700	261,400
XIII.—Posts and Telegraphs	3,768,352	19,126	3,787,478	3,787,478	...	4,132,300	44,400
XV.—Mint	101,887	31	101,918	101,918	...	624,600	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	413,545	...	413,545	34,454	379,091	415,600	...
XVI.—Law and Justice { Jails	299,225	...	299,225	36,158	263,067	332,800	...
XVII.—Police	143,199	...	143,199	5,505	137,694	153,800	...
XVIII.—Ports and Pilotage	125,394	...	125,394	...	125,394	119,700	...
XIX.—Education	295,036	...	295,036	7,452	287,584	299,300	...
XXA.—Medical	76,686	562	77,248	1,252	75,996	81,800	400
XXB.—Sanitation	16,057	...	16,057	2,332	13,725	27,900	...
XXIA.—Agriculture	78,465	...	78,465	10,670	67,795	87,600	...
XXIB.—Scientific and Miscellaneous Departments	131,178	557	131,735	8,467	123,268	174,600	900
Total	1,573,785	1,119	1,579,904	106,290	1,473,614	1,693,100	1,300
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	170,357	43,570	213,927	139,376	74,551	170,500	48,100
XXIII.—Stationery and Printing	89,134	...	89,134	37,674	51,460	92,100	...
XXIV.—Exchange	74,254	...	74,254	74,254	...	146,700	...
XXV.—Miscellaneous	279,304	22,869	302,173	116,647	185,526	330,900	18,200
Total	613,049	66,439	679,488	367,951	311,537	740,200	66,300
Railways—							
XXVI.—State Railways (Gross Receipts)	38,173,243	2,950	38,176,193	38,165,941	10,252	41,406,700	114,800
Deduct—Working Expenses	*19,686,677*	...	*19,686,677*	*19,679,888*	*6,789*	*19,940,000*	...
Surplus profits paid to Companies, etc.	*603,827*	...	*603,827*	*603,827*	...	*758,800*	...
Net Receipts	17,882,739	2,950	17,885,689	17,882,226	3,463	20,767,900	114,800
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	19,892	71,522	91,414	91,414	...	29,400	69,500
Total	17,902,631	74,472	17,977,103	17,973,640	3,463	20,797,300	184,300
Irrigation—							
XXIX.—Major Works: Direct Receipts	2,737,991	...	2,737,991	1,146,702	1,591,289	2,920,500	...
Portion of Land Revenue due to Irrigation	1,773,720	...	1,773,720	962,760	810,960	1,742,300	...
XXX.—Minor Works and Navigation	267,368	...	267,368	98,122	169,246	303,400	...
Total	4,779,079	...	4,779,079	2,207,584	2,571,495	4,966,200	...
Other Public Works—							
XXXI.—Civil Works	304,035	...	304,035	57,160	246,875	313,400	...
Military Receipts—							
XXXII.—Army: Effective	514,729	301,705	816,434	816,434	...	603,600	293,900
Non-Effective	85,330	38,179	123,509	123,509	...	84,400	38,000
	600,059	339,884	939,943	939,943	...	688,000	331,900
XXXIII.—Marine	223,263	...	223,263	223,263	...	373,200	...
XXXIV.—Military Works	78,534	...	78,534	78,534	...	76,700	...
Total	901,856	339,884	1,241,740	1,241,740	...	1,137,900	331,900
Transfers between Imperial and Provincial Revenues	...	...	...	—2,430,938	+2,430,938	...	...
TOTAL REVENUE	83,708,382	705,155	84,413,537	53,339,713	31,073,824	95,884,900	889,600

India, in India and in England.

ESTIMATE, 1916-1917.			Increase + Decrease — as compared with Budget Estimate, 1916-1917.	BUDGET ESTIMATE, 1917-1918.					Increase + Decrease — of Budget, 1917-1918, as compared with Budget Estimate, 1916-1917.	Increase + Decrease — of Budget, 1917-1918, as compared with Revised Estimate, 1916-1917.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
22,023,500	10,770,200	11,253,300	+91,400	22,218,200	...	**22,218,200**	10,883,200	11,335,000	+286,100	+194,700
3,153,100	3,153,100	...	+866,200	3,389,300	...	**3,389,300**	3,389,300	...	+1,102,400	+236,200
4,785,900	4,785,900	...	+798,300	3,972,900	...	**3,972,900**	3,972,900	...	—14,700	—813,000
5,800,900	2,952,600	2,848,300	+317,100	5,952,100	...	**5,952,100**	3,028,700	2,923,400	+468,300	+151,200
9,149,200	2,558,700	6,590,500	+597,900	9,328,200	...	**9,328,200**	2,617,500	6,710,700	+776,900	+179,000
30,500	200	30,300	+2,100	27,600	...	**27,600**	100	27,500	—800	—2,900
8,625,800	8,625,800	...	+927,800	9,394,800	...	**9,394,800**	9,394,800	...	+1,696,800	+769,000
3,601,400	1,957,900	1,643,500	+688,600	5,129,300	...	**5,129,300**	3,395,600	1,733,700	+2,216,500	+1,527,900
2,314,900	91,000	2,223,900	+266,400	2,266,700	...	**2,266,700**	86,400	2,180,300	+218,200	—48,200
541,900	6,200	535,700	+24,500	554,300	...	**554,300**	6,100	548,200	+36,900	+13,400
604,100	604,100	...	—9,600	617,000	...	**617,000**	617,000	...	+3,300	+12,900
60,631,200	35,505,700	25,125,500	+4,570,700	62,850,400	...	**62,850,400**	37,391,600	25,458,800	+6,789,900	+2,219,200
1,110,100	779,200	330,900	—65,200	964,500	1,131,200	**2,095,700**	1,788,000	307,700	+920,400	+985,600
4,176,700	4,176,700	...	+299,800	4,329,000	16,700	**4,345,700**	4,345,700	...	+468,800	+169,000
624,600	624,600	...	+551,700	139,100	...	**139,100**	139,100	...	+66,200	—485,500
415,600	30,700	384,900	+17,600	419,500	...	**419,500**	29,300	390,200	+21,500	+3,900
332,800	47,400	285,400	+41,000	331,600	...	**331,600**	47,400	284,200	+39,800	—1,200
153,800	5,600	148,200	+6,500	136,300	...	**136,300**	4,900	131,400	—11,000	—17,500
119,700	...	119,700	—13,300	117,500	...	**117,500**	...	117,500	—15,500	—2,200
299,300	15,300	284,000	+17,000	305,300	...	**305,300**	6,800	298,500	+23,000	+6,000
82,200	1,000	81,200	+5,100	80,500	400	**80,900**	900	80,000	+3,800	—1,300
27,900	3,400	24,500	+14,900	20,100	...	**20,100**	4,000	16,100	+7,100	—7,800
87,600	11,800	75,800	+5,400	102,700	...	**102,700**	15,200	87,500	+20,500	+15,100
175,500	9,300	166,200	+50,300	191,700	700	**192,400**	8,500	183,900	+67,200	+16,900
1,694,400	124,500	1,569,900	+144,500	1,705,200	1,100	**1,706,300**	117,000	1,589,300	+156,400	+11,900
218,600	144,200	74,400	+5,300	169,900	46,200	**216,100**	142,400	73,700	+2,800	—2,500
92,100	39,100	53,000	—100	86,900	...	**86,900**	34,100	52,800	—5,300	—5,200
146,700	146,700	...	+146,700	...	...	...	...	...	...	—146,700
349,100	155,300	193,800	+89,500	265,500	174,500	**440,000**	264,000	176,000	+180,400	+90,900
806,500	485,300	321,200	+241,400	522,300	220,700	**743,000**	440,500	302,500	+177,900	—63,500
41,581,500	41,571,900	9,600	+4,003,600	41,833,300	5,900	**41,839,200**	41,829,100	10,100	+4,261,300	+257,700
19,940,000	*19,933,300*	*6,700*	+148,000	*20,900,000*	...	***20,900,000***	*20,891,900*	*8,100*	—812,000	—960,000
758,800	*758,800*	...	—138,800	*780,000*	...	***780,000***	*780,000*	...	—160,000	—21,200
20,882,700	20,879,800	2,900	+4,012,800	20,153,300	5,900	**20,159,200**	20,157,200	2,000	+3,289,300	—723,500
98,900	98,900	...	+13,800	30,800	63,000	**93,800**	93,800	...	+8,700	—5,100
20,981,600	20,978,700	2,900	+4,026,600	20,184,100	68,900	**20,253,000**	20,251,000	2,000	+3,298,000	—728,600
2,920,500	1,232,500	1,688,000	+56,500	2,972,200	...	**2,972,200**	1,305,600	1,666,600	+108,200	+51,700
1,742,300	946,600	795,700	+48,700	1,858,200	...	**1,858,200**	1,004,800	853,400	+164,600	+115,900
303,400	110,300	193,100	+23,600	294,900	...	**294,900**	109,400	185,500	+15,100	—8,500
4,966,200	2,289,400	2,676,800	+128,800	5,125,300	...	**5,125,300**	2,419,800	2,705,500	+287,900	+159,100
313,400	57,300	256,100	+43,700	285,200	...	**285,200**	56,900	228,300	+15,500	—28,200
897,500	897,500	...	+114,200	597,900	266,000	**863,900**	863,900	...	+80,600	—33,600
122,400	122,400	...	+2,300	84,400	38,000	**122,400**	122,400	...	+2,300	...
1,019,900	1,019,900	...	+116,500	682,300	304,000	**986,300**	986,300	...	+82,900	—33,600
373,200	373,200	...	+190,700	260,800	...	**260,800**	260,800	...	+78,300	—112,400
76,700	76,700	...	—3,300	80,000	...	**80,000**	80,000	...	...	+3,300
1,469,800	1,469,800	...	+303,900	1,023,100	304,000	**1,327,100**	1,327,100	...	+161,200	—142,700
...	—1,653,400	+1,653,400	...	...	...	...	—1,856,700	+1,856,700	...	...
96,774,500	64,837,800	31,936,700	+10,245,900	97,128,200	1,742,600	**98,870,800**	66,420,000	32,450,800	+12,342,200	+2,096,300

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1915-1916.					REVISED
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
Direct Demands on the Revenues—	£	£	£	£	£	£	£
1.—Refunds and Drawbacks	344,446	...	344,446	235,885	108,561	473,000	...
2.—Assignments and Compensations	1,280,870	...	1,280,870	563,736	717,134	1,275,100	...
Charges in respect of Collection, *viz.* :—							
3.—Land Revenue	3,902,729	985	3,903,714	296,008	3,607,706	3,849,200	2,100
4.—Opium (including cost of Production)	1,143,557	774	1,144,331	1,144,331	...	1,010,500	800
5.—Salt (including cost of Production)	374,226	2,496	376,722	376,722	...	397,200	2,500
6.—Stamps	57,447	89,703	147,150	76,880	70,270	64,400	105,000
7.—Excise	470,321	419	470,740	146,044	324,696	477,700	400
9.—Customs	262,052	212	262,264	262,264	...	271,000	400
10.—Income Tax	34,426	...	34,426	17,335	17,091	37,500	...
11.—Forest	1,239,507	3,360	1,242,867	83,499	1,159,368	1,257,800	2,500
12.—Registration	259,840	...	259,840	1,887	257,953	264,600	...
Total	9,369,421	97,949	9,467,370	3,204,591	6,262,779	9,378,000	113,700
Interest—							
13.—Interest on Debt	3,803,130	*6,182,399	9,985,529	9,030,491	955,038	3,752,000	5,846,800
Deduct—Amounts chargeable to Railways†	*4,284,143*	*3,738,480*	*8,022,623*	*8,022,623*	...	*4,333,800*	*3,730,900*
„ Amounts chargeable to Irrigation	*1,324,051*	*127,299*	*1,451,350*	*736,654*	*714,696*	*1,363,900*	*128,100*
Remainder chargeable on Ordinary Debt	−1,805,064	2,316,620	511,556	271,214	240,342	−1,945,700	1,987,800
14.—Interest on other obligations	678,808	...	678,808	678,808	...	728,400	...
Total	−1,126,256	2,316,620	1,190,364	950,022	240,342	−1,217,300	1,987,800
15.—Posts and Telegraphs	3,007,141	142,539	3,149,680	3,149,680	...	3,173,700	381,900
17.—Mint	81,803	7,570	89,373	89,373	...	160,400	12,100
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,637,632	331,106	1,968,738	1,071,298	897,440	1,678,400	403,000
19.—Law and Justice { Courts	3,352,896	1,042	3,353,938	81,018	3,272,920	3,323,500	900
19.—Law and Justice { Jails	1,042,343	177	1,042,520	146,749	895,771	1,099,900	...
20.—Police	5,353,259	356	5,353,615	277,820	5,075,795	5,429,500	100
21.—Ports and Pilotage	210,609	...	210,609	...	210,609	202,300	...
22.—Education	3,102,025	9,102	3,111,127	110,027	3,001,100	3,169,000	10,000
23.—Ecclesiastical	130,924	122	131,046	131,046	...	130,300	300
24A.—Medical	872,422	1,328	873,750	72,692	801,058	862,100	900
24B.—Sanitation	623,542	1,744	625,286	64,977	560,309	553,500	2,000
25.—Political	1,161,070	6,957	1,168,027	1,005,104	162,923	1,622,100	30,900
26A.—Agriculture	596,173	1,328	597,501	63,084	534,417	616,800	3,500
26B.—Scientific and Miscellaneous Departments	405,568	26,490	432,058	289,388	142,670	447,300	43,800
Total	18,488,463	379,752	18,868,215	3,313,203	15,555,012	19,134,700	495,400
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	208,525	10,550	219,075	219,075	...	199,200	10,600
28.—Civil Furlough and Absentee Allowances	780	235,054	235,834	235,834	...	1,900	260,000
29.—Superannuation Allowances and Pensions	1,423,291	2,046,992	3,470,283	2,162,284	1,307,999	1,473,700	2,019,000
30.—Stationery and Printing	620,311	110,733	731,044	218,942	512,102	667,700	124,500
32.—Miscellaneous	406,100	66,339	472,439	212,068	260,371	454,200	175,600
Total	2,659,007	2,469,668	5,128,675	3,048,203	2,080,472	2,796,700	2,589,900
Famine Relief and Insurance—							
33.—Famine Relief	74,695	...	74,695	64,126	10,569	192,700	...
34.—Construction of Protective Railways	−193	...	−193	−193	...	−600	...
35.—Construction of Protective Irrigation Works	494,629	5,564	500,193	500,193	...	343,300	2,200
36.—Reduction or Avoidance of Debt	425,305	...	425,305	260,638	164,667	462,400	...
Total	994,436	5,564	1,000,000	824,764	175,236	997,800	2,200
Carried over	33,474,015	5,419,662	38,893,677	14,579,836	24,313,841	34,424,000	5,583,000

	ACCOUNTS, 1915-1916.			REVISED ESTIMATE, 1916-1917.		
	India.	England.	Total.	India.	England.	Total.
†Included under the following heads :—	£	£	£	£	£	£
State Railways—Interest on Debt	4,266,440	3,657,230	7,923,670	4,316,500	3,649,700	7,966,200
Ditto —Interest chargeable against Companies on Advances	17,703	81,250	98,953	17,300	81,200	98,500
Total	4,284,143	3,738,480	8,022,623	4,333,800	3,730,900	8,064,700

Revenues of India, in India and in England.

ESTIMATE, 1916-1917.			Increase + Decrease — as compared with Budget Estimate, 1916-1917.	BUDGET ESTIMATE, 1917-1918.					Increase + Decrease — of Budget, 1917-1918, as compared with Budget Estimate, 1916-1917.	Increase + Decrease — of Budget, 1917-1918, as compared with Revised Estimate, 1916-1917.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
473,000	355,400	117,600	+137,900	430,300	...	430,300	316,600	113,700	+95,200	−42,700
1,275,100	563,800	711,300	—5,500	1,272,800	...	1,272,800	564,800	708,000	—7,800	—2,300
3,851,300	274,600	3,576,700	−141,200	3,977,600	2,000	3,979,600	305,800	3,673,800	—12,900	+128 300
1,011,300	1,011,300	...	+57,400	1 320,100	900	1,321,000	1,321,000	...	+367,100	+309.700
399,700	399,700	...	+200	406,300	2,300	408,600	408,600	...	+9,100	+8,900
169,400	94,400	75,000	+17,200	62,100	98,600	160,700	85,500	75,200	+8,500	−8,700
478,100	146,800	331,300	—10,800	488,300	200	488.500	149,200	339,300	—400	+10,400
271,400	271,400	...	+700	285,800	100	285,900	285,900	...	+15,200	+14 500
37,500	18,800	18,700	+1,000	41,100	...	41,100	20,700	20,400	+4,600	+3,600
1,260,300	83,100	1,177,200	—20,500	1,367,500	1,600	1,369,100	97,400	1,271,700	+88,300	+108,800
264,600	1,900	262,700	+4,700	269,900	...	269,900	1,900	268,000	+10,000	+5,300
9,491,700	3,221,200	6,270,500	+41,100	9,921,800	105,700	10,027,500	3,557,400	6,470,100	+576,900	+535,800
9,598,800	8,648,500	950,300	−358,200	4,422,700	11,155,800	15,578,500	14,623,300	955,200	+5,621,500	+5,979,700
8,064,700	*8,064,700*	...	+84,000	*4,413,300*	*3,719,400*	*8,132,700*	*8,132,700*	...	+16,000	−68,000
1,492,000	*764,800*	*727,200*	+17,400	*1,397,600*	*128,600*	*1,526,200*	*788,500*	*737,700*	−16,800	—34,200
42,100	—181,000	223,100	—256,800	−1,388,200	7,307,800	5,919,600	5,702,100	217,500	+5,620,700	+5,877,500
728,400	728,400	...	+37,600	913,200	...	913,200	913,200	...	+222,400	+184,800
770,500	547,400	223,100	—219,200	−475,000	7,307,800	6,832,800	6,615,300	217,500	+5,843,100	+6,062,300
3.555,600	3,555.600	...	+52,100	3,240,700	361,200	3,601,900	3,601,900	...	+93,400	+46,300
172,500	172,500	...	+82,200	87,500	21,100	108,600	108,600	...	+18,300	−63,900
2,081,400	1,162,500	918,900	+70,500	1,676,800	380,100	2,056,900	1,132,000	924,900	+46,000	−24,500
3,324,400	81,100	3,243,300	—31,700	3,379,600	1,000	3,380,600	82,600	3,298,000	+24,500	+56,200
1,099.900	166,200	933,700	+34,200	1,125,400	...	1,125,400	172,500	952,900	+59.700	+25 500
5,429,600	296,600	5,133,000	—96,700	5,729,800	100	5,729,900	331,000	5,398,900	+203,600	+300,300
202,300	...	202,300	+1,500	195,300	...	195,300	...	195,300	—5,500	—7,000
3,179,000	115,600	3,063,400	−87,600	3,613,400	10,000	3,623,400	146,200	3,477,200	+356,800	+444,400
130,600	130,600	...	−5,800	142,200	300	142,500	142,500	...	+6,100	+11,900
863,000	78,600	784,400	—21,000	967,500	1,000	968,500	83,200	885,300	+84,500	+105,500
555,500	70,800	484,700	—50,000	608,600	2,000	610,600	97,000	513,600	+5,100	+55,100
1,653,000	1,483,100	169,900	+474,500	1,829,000	24,200	1,853,200	1,633,600	219,600	+674,700	+200,200
620,300	66.000	554,300	−2,000	864,300	2,000	866,300	90,300	776,000	+244,000	+246,000
491,100	322,900	168,200	+4,200	484,700	52,500	537,200	334,500	202.700	+50,300	+46,100
19,630,100	3,974,000	15,656,100	+290,100	20,616,600	473,200	21,089,800	4,245,400	16,844,400	+1,749,800	+1,459,700
209,800	209.800	...	−4,506	199,800	10,600	210,400	210,400	...	−3,900	+600
261,900	261,900	...	+32,600	1,500	260,000	261,500	261,500	...	+32,200	− 400
3,492,700	2,136,300	1,356,400	−36,300	1,517,500	2,018,000	3,535,500	2,134,800	1,400,700	+6,500	+42,800
792,200	283,200	509,000	+51,600	762,700	98,600	861,300	327,000	534,300	+120,700	+69,100
630,000	405,200	224,800	+59,900	512,200	38,300	550,500	185,000	365,500	—19,600	−79,500
5,386,600	3,296,400	2,090,200	+103,300	2,993,700	2,425,500	5,419,200	3,118,700	2,300,500	+135,900	+32,600
192,700	144,100	48,600	+146,400	56,300	...	56,300	42,200	14,100	+10,000	—136,400
— 600	—600	...	+100	—500	...	—500	—500	...	+200	+100
345,500	345,500	...	− 87,800	401,600	18,400	420,000	420,000	...	—13,300	+74,500
462,400	364,400	98,000	—58,700	524,200	...	524,200	524,200	...	+3,100	+61,800
1,000,000	853,400	146,600	...	981,600	18,400	1,000,000	985,900	14,100	...	...
40,007,000	15,620,500	24,386,500	+349,600	37,366,900	10,712,900	48,079,800	22,233,200	25,846,600	+8,422,400	+8,072,800

BUDGET ESTIMATE, 1917-1918.		
India.	England.	Total.
£	£	£
4,396,200	3,638,200	8,034,400
17,100	81,200	98,300
4,412,300	3,719,400	8,132,700

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1915-1916.					REVISED	
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Brought forward	33,474,015	5,419,662	**38,893,677**	14,579,836	24,313,841	34,434,000	5,583,000
Railways—							
38.—State Railways: Interest on Debt	4,266,440	3,657,230	**7,923,670**	7,923,670	...	4,316,500	3,649,700
Annuities in purchase of Railways	...	3,357,691	**3,357,691**	3,357,691	...	...	3,357,700
Sinking Funds	...	208,893	**208,893**	208,893	...	...	323,600
Interest chargeable against Companies on Advances	17,703	81,250	**98,953**	98,953	...	17,300	81,200
Interest on Capital deposited by Companies	58,736	2,073,126	**2,131,862**	2,131,862	...	56,400	2,170,200
40.—Subsidised Companies: Land, etc.	162,709	...	**162,709**	162,044	665	198,300	...
41.—Miscellaneous Railway Expenditure	17,887	...	**17,887**	17,059	828	14,400	...
TOTAL	4,523,475	9,378,190	**13,901,665**	13,900,172	1,493	4,602,900	9,582,400
Irrigation—							
42.—Major Works: Working Expenses	1,374,920	...	**1,374,920**	647,580	727,340	1,367,000	...
Interest on Debt	1,324,051	127,299	**1,451,350**	736,654	714,696	1,363,900	128,100
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	12,632	...	**12,632**	12,632	...	...	...
43.—Minor Works and Navigation	881,904	290	**882,194**	276,081	606,113	819,100	500
TOTAL	3,593,507	127,589	**3,721,096**	1,672,947	2,048,149	3,550,000	128,600
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	1,263	...	**1,263**	...	1,263	2,300	...
45.—Civil Works	5,400,320	50,144	**5,450,464**	872,326	4,578,138	4,628,800	52,000
TOTAL	5,401,583	50,144	**5,451,727**	872,326	4,579,401	4,631,100	52,000
Military Services—							
46.—Army: Effective	16,285,433	2,407,837	**18,693,270**	18,693,270	...	18,047,500	3,211,100
Non-Effective	781,936	2,417,994	**3,199,930**	3,199,930	...	856,400	2,202,000
	17,067,369	4,825,831	**21,893,200**	21,893,200	...	18,903,900	5,413,100
46A.—Marine	480,513	265,000	**745,513**	745,513	...	324,400	420,200
47.—Military Works	816,106	34,760	**850,866**	850,866	...	1,505,800	27,900
47A.—Special Defences (1902)	5,596	7,918	**13,514**	13,514	...	23,300	6,200
TOTAL	18,369,584	5,133,509	**23,503,093**	23,503,093	...	20,757,400	5,867,400
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	65,362,164	20,109,094	**85,471,258**	54,528,374	30,942,884	67,965,400	21,213,400
Add—Portion of Allotments to Provincial Governments not spent by them in the year	335,711	...	**335,711**	...	335,711	1,641,200	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	*204,771*	...	***204,771***	...	*204,771*	*34,200*	...
Total Expenditure charged to Revenue	65,493,104	20,109,094	**85,602,198**	54,528,374	31,073,824	69,572,400	21,213,400

	ACCOUNTS, 1915-1916.		
	India.	England.	TOTAL.
Capital Expenditure not charged to Revenue—	£	£	£
48.—State Railways	3,923,370	852,742	**4,776,112**
49.—Irrigation Works	776,544	36,409	**812,953**
TOTAL	4,699,914	889,151	**5,589,065**
51.—Initial Expenditure on new Capital at Delhi	321,383	9,891	**331,274**

Revenues of India, in India and in England—*continued.*

ESTIMATE, 1916-1917.			Increase + Decrease − as compared with Budget Estimate, 1916-1917.	BUDGET ESTIMATE, 1917-1918.					Increase + Decrease − of Budget, 1917-1918, as compared with Budget Estimate, 1916-1917.	Increase + Decrease − of Budget, 1917-1918, as compared with Revised Estimate, 1916-1917.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
40,007,000	15,620,500	24,386,500	+349,600	37,366,900	10,713,900	**48,079,800**	22,233,200	25,846,600	+8,422,400	+8,072,800
7,966,200	7,966,200	...	−83,800	4,396,200	3,638,200	**8,034,400**	8,034,400	...	−15,600	+68,200
3,357,700	3,357,700	...	...	...	3,357,700	**3,357,700**	3,357,700	...	...	...
323,600	323,600	...	+105,900	...	230,000	**230,000**	230,000	...	+12,300	−93,600
98,500	98,500	...	−200	17,100	81,200	**98,300**	98,300	...	−400	−200
2,226,600	2,226,600	...	−5,100	61,700	2,213,900	**2,275,600**	2,275,600	...	+43,900	+49,000
198,300	197,400	900	−36,000	127,400	...	**127,400**	126,700	700	−106,900	−70,900
14,400	14,100	300	−12,600	24,000	...	**24,000**	23,700	300	−3,000	+9,600
14,185,300	14,184,100	1,200	−31,800	4,626,400	9,521,000	**14,147,400**	14,146,400	1,000	−69,700	−37,900
1,367,000	647,000	720,000	−500	1,391,300	...	**1,391,300**	666,200	725,100	+23,800	+24,300
1,492,000	764,800	727,200	−17,400	1,397,600	128,600	**1,526,200**	788,500	737,700	+16,800	+34,200
...	...	...	...	...	...	**...**	...	...	...	...
819,600	262,300	557,300	−74,400	916,600	...	**916,600**	289,200	627,400	+22,600	+97,000
3,678,600	1,674,100	2,004,500	−92,300	3,705,500	128,600	**3,834,100**	1,743,900	2,090,200	+63,200	+155,500
2,300	...	2,300	+600	1,500	...	**1,500**	...	1,500	−200	−800
4,680,800	745,600	3,935,200	−61,700	5,486,400	56,900	**5,543,300**	934,000	4,609,300	+800,800	+862,500
4,683,100	745,600	3,937,500	−61,100	5,487,900	56,900	**5,544,800**	934,000	4,610,800	+800,600	+861,700
21,258,600	21,258,600	...	+2,423,100	18,999,800	3,000,400	**22,000,200**	22,000,200	...	+3,164,700	+741,600
3,058,400	3,058,400	...	−185,200	1,098,700	2,117,000	**3,215,700**	3,215,700	...	−27,900	+157,300
24,317,000	24,317,000	...	+2,237,900	20,098,500	5,117,400	**25,215,900**	25,215,900	...	+3,136,800	+898,900
744,600	744,600	...	+37,000	313,000	525,500	**838,500**	838,500	...	+130,900	+93,900
1,533,700	1,533,700	...	+675,400	1,138,700	20,000	**1,158,700**	1,158,700	...	+300,400	−375,000
29,500	29,500	...	+8,600	10,300	3,700	**14,000**	14,000	...	−6,900	−15,500
26,624,800	26,624,800	...	+2,958,900	21,560,500	5,666,600	**27,227,100**	27,227,100	...	+3,561,200	+602,300
89,178,800	58,849,100	30,329,700	+3,123,300	72,747,200	26,036,000	**98,833,200**	66,284,600	32,548,600	+12,777,700	+9,654,400
1,641,200	...	1,641,200	+1,627,400	240,300	...	**240,300**	..	240,300	+226,500	−1,400,900
34,200	...	***34,200***	+332,200	***338,100***	...	***338,100***	...	***338,100***	+28,300	−303,900
90,785,800	58,849,100	31,936,700	+5,082,900	72,649,400	26,036,000	**98,735,400**	66,284,600	32,450,800	+13,032,500	+7,949,600

REVISED ESTIMATE, 1916-1917.			BUDGET ESTIMATE, 1917-1918.		
India.	England.	Total.	India.	England.	Total.
£	£	£	£	£	£
976,400	316,700	**1,293,100**	2,297,100	927,100	**3,224,200**
577,100	13,200	**590,300**	589,000	11,000	**600,000**
1,553,500	329,900	**1,883,400**	2,886,100	938,100	**3,824,200**
244,400	22,300	**266,700**	251,700	15,000	**266,700**

C.—Statement of Receipts and Disbursements of the

	Accounts, 1915-1916.			Revised Estimate, 1916-1917.			Budget Estimate, 1917-1918.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A) .	83,708,382	705,155	84,413,537	95,884,900	889,600	96,774,500	97,128,200	1,742,600	98,870,800
Excess of Revenue over Expenditure charged to Revenue			**−1,188,661**			**5,988,700**			**135,400**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways .	3,472,246	...	3,472,246	...	...	...	...	...	...
Capital contributed by Native States towards construction of State Railways . . .	66,667	...	66,667	66,700	...	66,700	66,700	...	66,700
Outlay of Railway Companies—									
Repayments . . .	...	9,431	9,431	...	12,500	12,500	...	2,000	2,000
Net .			**0**			**0**			**0**
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital . . .	768,401	...	768,401	808,000	...	808,000	318,600	3,531,400	3,850,000
Net .			**393,201**			**733,000**			**318,600**
Permanent Debt Incurred—									
Rupee Debt—									
Rupee Loan . . .	3,332,400	...		7,486,700	...		7,000,000	...	
Total .	3,332,400	...	3,332,400	7,486,700	...	7,486,700	7,000,000	...	7,000,000
Net .			**2,379,834**			**6,692,400**			**6,416,700**
Temporary Debt Incurred—									
Temporary Loans .	...	7,000,000	7,000,000	...	2,000,000	2,000,000	...	...	...
Net .			**0**			**0**			**0**
Unfunded Debt—									
Deposits of Service Funds .	87,102	9		86,300	...		85,600	...	
Savings Bank Deposits .	6,665,679	...		7,268,100	...		8,103,200	...	
Total .	6,752,781	9	6,752,790	7,354,400	...	7,354,400	8,188,800	...	8,188,800
Net .			**899,842**			**1,675,000**			**1,926,700**
Deposits and Advances—									
Balances of Provincial Allotments	335,711	...		1,641,200	...		240,300	...	
Appropriation for Reduction or Avoidance of Debt .	425,305	...		462,400	...		524,200	...	
Deposits of Local Funds—									
District Funds . .	5,144,086	...		5,523,700	...		5,333,900	...	
Other Funds . . .	1,065,009	...		1,117,700	...		1,115,500	...	
Deposits of Sinking Funds .	15,842	...		16,500	...		17,100	...	
Gold Standard Reserve .	1,826	16,333,376 (a)		4,100,000	24,548,300 (c)		...	29,069,600	
Paper Currency Reserve .	...	8,190,295 (b)		...	47,389,000 (d)		...	46,618,000	
Departmental and Judicial Deposits . . .	31,451,185	...		32,848,100	...		31,465,400	...	
Advances . . .	6,325,608	1,662,917		8,108,700	2,741,200		7,657,600	1,348,600	
Suspense Accounts . .	42,067	...		197,500	...		107,300	...	
Miscellaneous . . .	64,064	409,359		234,300	1,040,000		3,400	691,300	
Total .	44,870,203	26,595,947	71,466,150	54,250,100	75,718,500	129,968,600	46,464,700	77,727,500	124,192,200
Net .			**5,829,927**			**1,560,000**			**787,900**
Carried over .	142,971,080	34,310,542		165,850,800	78,620,600		159,167,000	83,003,500	

(a) Includes £7,533,000 remitted from India by means of Council bills and £41,188 on account of profit by exchange.
(b) Represents remittance from India by means of Council bills.
(c) Includes £4,347,000 remitted from India by means of Council Bills.
(d) Includes £18,999,700 remitted from India by means of Council Bills.

Government of India, in India and in England.

	Accounts, 1915-1916.			Revised Estimate, 1916-1917.			Budget Estimate, 1917-1918.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	65,362,164	20,109,094	85,471,258	67,965,400	21,213,400	89,178,800	72,747,200	26,086,000	98,833,200
Add—Provincial Surpluses transferred to "Deposits"	335,711	...	335,711	1,641,200	...	1,641,200	240,300	...	240,300
Deduct—Provincial Deficits charged to "Deposits"	*204,771*	...	*204,771*	*34,200*	...	*34,200*	*338,100*	...	*338,100*
TOTAL	65,493,104	20,109,094	85,602,198	69,572,400	21,213,400	90,785,800	72,649,400	26,086,000	98,735,400
Railway, Irrigation, and other Capital not charged to Revenue—									
OUTLAY ON IRRIGATION WORKS	776,544	36,409	812,953	577,100	13,200	590,300	589,000	11,000	600,000
OUTLAY ON STATE RAILWAYS	3,923,370	852,742	4,776,112	976,400	316,700	1,293,100	2,297,100	927,100	3,224,200
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	321,383	9,891	331,274	244,400	22,300	266,700	251,700	15,000	266,700
OUTLAY OF RAILWAY COMPANIES— Payments for Capital Outlay	—202,886	652,070	449,184	672,100	397,200	1,069,300	—8,100	658,500	650,400
NET			439,753			1,056,800			648,400
RAISED AND DEPOSITED BY RAILWAY COMPANIES— Payments for Discharge of Debentures	...	375,200	375,200	...	75,000	75,000	...	3,531,400	3,531,400
NET			0			0			0
Permanent Debt Discharged—									
Sterling Debt—									
Indian Midland Railway Debentures	...	407,500		...	...		...	...	
India Bonds	...	500,000		...	500,000		...	500,000	
India 4 p. c. Stock	...	1,500		...	...		...	...	
Rupee Debt—									
4 p. c. Loans	...	...		80,000	...		80,000	...	
3½ p. c. Loans	493	...		154,500	...		...	...	
3 p. c. Loans	42,940	...		59,800	...		3,300	...	
Provincial Debentures	133	...		...	...		...	...	
TOTAL	43,566	909,000	952,566	294,300	500,000	794,300	83,300	500,000	583,300
NET			0			0			0
Temporary Debt Discharged—									
Temporary Loans	3,000,000	7,000,000	10,000,000	4,000,000	9,000,000	13,000,000	333,300	..	333,300
NET			3,000,000			11,000,000			333,300
Unfunded Debt—									
Special Loans	1,131	...		300	...		300	...	
Deposits of Service Funds	95,002	...		93,600	...		96,500	...	
Savings Bank Deposits	5,756,815	...		5,585,500	...		6,165,300	...	
TOTAL	5,852,948	...	5,852,948	5,679,400	...	5,679,400	6,262,100	...	6,262,100
NET			0			0			
Deposits and Advances—									
Balances of Provincial allotments	204,771	...		34,200	...		338,100	...	
Deposits of Local Funds—									
District Funds	5,539,153	...		5,461,900	...		5,519,100	...	
Other Funds	1,120,858	...		1,070,500	...		1,158,700	...	
Gold Standard Reserve	69,957	(e) 10,549,067		4,001,300	24,340,900		100,000	29,069,600	
Paper Currency Reserve	...	8,190,295		...	47,389,000		...	46,618,000	
Departmental and Judicial Deposits	30,724,965	...		32,042,000	...		31,279,500	...	
Advances	6,165,999	1,777,693		8,871,100	2,814,300		7,601,200	1,495,400	
Suspense Accounts	977,988	...		2,071,800	...		21,600	...	
Miscellaneous	25,973	289,504		...	311,600		...	203,100	
TOTAL	44,829,664	20,806,559	65,636,223	53,552,800	74,855,800	128,408,600	46,018,200	77,386,100	123,404,300
NET			0			0			0
Carried over	124,037,693	50,750,965		135,568,900	106,393,600		128,476,000	109,115,100	

(e) Includes £225,000 on account of payment of sterling bills and telegraphic transfers on London.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1915-1916.			Revised Estimate, 1916-1917.			Budget Estimate, 1917-1918.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	142,971,080	34,310,542		165,850,800	78,620,600		159,167,000	83,003,500	
Loans and Advances by Imperial Government	490,931	...	490,931	281,300	...	281,300	167,300	...	167,300
Net			15,103			0			0
Loans and Advances by Provincial Governments	1,556,038	...	1,556,038	1,422,500	...	1,422,500	1,191,700	...	1,191,700
Net			308,232			547,500			262,500
Loans to Local Boards for Railway Construction	7,709	...	7,709	8,000	...	8,000	8,300	...	8,300
Net			7,709			8,000			8,300
Remittances—									
Inland Money Orders	39,073,870	...		40,000,000	...		41,333,300	...	
Other Local Remittances	...	...		13,895,900	...		13,149,700	...	
Other Departmental Accounts	1,327	...		...	...		...	...	
Net Receipts by Civil Treasuries from—									
Railways	15,225,297	...		16,598,600	...		17,000,100	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	766,258	...		660,700	...		823,700	...	
Marine	5,885,044	...		7,742,300	...		7,278,200	...	
Military Works	1,218,030	...		2,946,100	...		2,560,800	...	
Military	22,654,087	...		39,870,400	...		41,361,300	...	
Remittance Account between England and India—									
War Office transactions	14,123,307	16,006,932		5,653,000	38,532,500		4,281,500	42,385,000	
Indian War Loan	...	...		...	...		10,000,000	...	
Purchase of Silver	...	...		15,210,500	...		4,190,700	...	
Railway transactions	2,096,082	3,491,106		752,300	16,500		1,385,200	1,266,500	
Other „	5,565,452	11,810,125		7,115,600	7,627,800		3,610,500	4,876,000	
Total	106,608,754	31,308,163	137,916,917	150,445,400	46,176,800	196,622,200	146,975,000	48,527,500	195,502,500
Net			0			0			0
Secretary of State's Bills drawn	...	(a) 4,590,034	4,590,034	...	(f) 9,669,000	9,669,000	...	...	...
Sterling Bills on London	(b) 4,668,000	...	4,668,000	...	...	...	...	...	...
Total Receipts	271,302,512	70,208,739		318,008,000	134,466,400		307,509,300	131,531,000	
Opening Balance	14,779,334	(c) 7,913,236		12,016,056	(d) 12,803,348		15,142,656	(e) 11,419,648	
GRAND TOTAL	271,081,846	78,121,975		330,024,056	147,269,748		322,651,956	142,950,648	

(a) In addition to £7,574,188 and £8,190,295 on account of the Gold Standard Reserve and the Paper Currency Reserve, respectively.
(b) „ £225,000 on account of the Gold Standard Reserve.
(c) Of this amount £8,322 represents the funds of the Gold Standard Reserve.

Delhi,
Finance Department,
March 21, 1917.

R. A. GAMBLE,
Comptroller General.

Government of India, in India and in England—*continued.*

	Accounts, 1915-1916.			Revised Estimate, 1916-1917.			Budget Estimate, 1917-1918.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	124,037,693	50,750,965		135,568,900	106,393,600		128,476,000	109,115,100	
Loans and Advances by Imperial Government .	475,828	...	475,828	319,000	...	319,000	288,000	...	288,000
Net .			0			37,700			120,700
Loans and Advances by Provincial Governments .	1,247,806	...	1,247,806	875,000	...	875,000	929,200	...	929,200
Net .			0			0			0
Remittances—									
Inland Money Orders .	39,021,590	...		40,000,000	...		41,333,300	...	
Other Local Remittances	116,339	...		13,895,900	...		13,149,700	...	
Other Departmental Accounts . . .	17,924	...		...	...		...	...	
Net Payments into Civil Treasuries by—									
Railways . . .	14,962,927	...		16,712,000	...		17,000,100	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs .	769,928	...		660,700	...		823,700	...	
Marine . . .	5,897,656	...		7,742,300	...		7,278,200	...	
Military Works . .	1,222,569	...		2,946,100	...		2,560,800	...	
Military . . .	22,651,165	...		39,870,400	...		41,361,300	...	
Remittance Account between England and India—									
War Office transactions	28,225,218	1,756,340		40,136,000	5,653,000		40,781,500	4,281,500	
Indian War Loan .	...	...		...	...		10,000,000	10,000,000	
Purchase of Silver .	...	643,200		...	16,000,000		...	2,758,000	
Railway transactions .	3,460,741	2,126,447		...	768,800		...	2,651,700	
Other „ .	11,912,632	5,373,675		7,569,200	7,034,700		6,013,000	2,789,500	
Total .	128,258,689	9,899,662	138,158,351	169,532,600	29,456,500	198,989,100	180,301,600	22,480,700	202,782,300
Net .			241,434			2,366,900			7,279,800
Secretary of State's Bills paid . .	(a) 5,045,774	...	5,045,774	(f) 8,585,900	...	8,585,900	466,700	...	466,700
Sterling Bills on London . .	...	(b)4,668,000	4,668,000	...	...	...	...	...	...
Total Disbursements .	259,065,790	65,318,627	...	314,881,400	135,850,100		310,461,500	131,595,800	
Closing Balance .	12,016,056	(d) 12,803,348	...	15,142,656	(e) 11,419,648		12,190,456	(e) 11,354,848	
GRAND TOTAL .	271,081,846	78,121,975	...	330,024,056	147,269,748		322,651,956	142,950,648	

(*d*) Of this amount £5,792,631 represents the funds of the Gold Standard Reserve.
(*e*) Of this amount £6,000,031 represents the funds of the Gold Standard Reserve.
(*f*) In addition to £4,347,000 and £18,999,700 on account of the Gold Standard Reserve and the Paper Currency Reserve, respectively.

M. M. S. GUBBAY,
Offg. Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1915-16.	Revised, 1916-17.	Budget, 1917-18.
Madras—	R	R	R
Balance on April 1st	1,10,16,052	1,10,02,000	1,40,85,000
Special grants from Imperial revenues	24,50,000	24,50,000	28,50,000
Other revenue	7,43,20,362	7,65,82,000	7,79,09,000
Total Revenue including transfers from Imperial revenues	7,67,70,362	7,90,32,000	8,07,59,000
Total Expenditure	7,67,84,198	7,59,49,000	7,94,61,000
Closing Balance	1,10,02,216	1,40,85,000	1,53,83,000
Bombay—			
Balance on April 1st	1,58,04,277	1,77,01,000	2,42,21,000
Special grants from Imperial revenues	20,80,000	20,80,000	24,80,000
Other revenue	7,54,79,800	7,80,45,000	7,80,54,000
Total Revenue including transfers from Imperial revenues	7,75,59,800	8,01,25,000	8,05,34,000
Total Expenditure	7,56,63,179	7,36,05,000	7,88,24,000
Closing Balance	1,77,00,898	2,42,21,000	2,59,31,000
Bengal—			
Balance on April 1st	2,72,60,323	2,79,19,000	3,26,79,000
Special grants from Imperial revenues	35,20,650	35,13,000	44,13,000
Other revenue	5,99,39,348	6,19,04,000	6,21,86,000
Total Revenue including transfers from Imperial revenues	6,34,59,998	6,54,17,000	6,65,99,000
Total Expenditure	6,28,01,186	6,06,57,000	6,77,20,000
Closing Balance	2,79,19,135	3,26,79,000	3,15,58,000
United Provinces—			
Balance on April 1st	1,45,06,570	1,55,35,000	1,72,83,000
Special grants from Imperial revenues	24,98,500	24,29,000	32,54,000
Other revenue	6,65,57,466	6,68,35,000	6,63,30,000
Total Revenue including transfers from Imperial revenues	6,90,55,966	6,92,64,000	6,95,84,000
Total Expenditure	6,80,27,810	6,75,16,000	6,95,98,000
Closing Balance	1,55,34,726	1,72,83,000	1,72,69,000
Punjab—			
Balance on April 1st	52,21,326	63,55,000	1,03,08,000
Special grants from Imperial revenues	13,60,400	15,16,000	25,70,000
Other revenue	4,74,90,784	4,92,27,000	4,93,70,000
Total Revenue including transfers from Imperial revenues	4,88,51,184	5,07,43,000	5,19,40,000
Total Expenditure	4,77,17,622	4,67,90,000	5,17,39,000
Closing Balance	63,54,888	1,03,08,000	1,05,09,000
Burma—			
Balance on April 1st	93,25,145	83,52,000	1,03,51,000
Special grants from Imperial revenues	9,93,800	9,94,000	12,94,000
Other revenue	5,44,38,679	5,68,17,000	5,75,60,000
Total Revenue including transfers from Imperial revenues	5,54,32,479	5,78,11,000	5,88,54,000
Total Expenditure	5,64,05,569	5,58,12,000	6,04,05,000
Closing Balance	83,52,055	1,03,51,000	88,00,000
Bihar and Orissa—			
Balance on April 1st	1,54,33,496	1,43,00,000	1,39,62,000
Special grants from Imperial revenues	14,60,500	14,64,000	20,40,000
Other revenue	3,02,83,475	3,00,44,000	2,97,12,000
Total Revenue including transfers from Imperial revenues	3,17,43,975	3,15,08,000	3,17,52,000
Total Expenditure	3,28,77,516	3,18,46,000	3,40,73,000
Closing Balance	1,42,99,955	1,39,62,000	1,16,41,000
Central Provinces—			
Balance on April 1st	97,45,524	1,00,64,000	1,26,19,000
Special grants from Imperial revenues	9,14,000	9,14,000	12,90,000
Other revenue	2,80,30,628	2,95,47,000	3,00,49,000
Total Revenue including transfers from Imperial revenues	2,89,44,628	3,04,61,000	3,13,48,000
Total Expenditure	2,86,26,120	2,79,06,000	3,09,53,000
Closing Balance	1,00,64,032	1,26,19,000	1,30,14,000
Assam—			
Balance on April 1st	29,48,878	19,98,000	18,24,000
Special grants from Imperial revenues	4,47,500	4,48,000	5,48,000
Other revenue	1,38,41,471	1,42,42,000	1,48,44,000
Total Revenue including transfers from Imperial revenues	1,42,88,971	1,46,90,000	1,53,92,000
Total Expenditure	1,52,40,070	1,48,64,000	1,54,56,000
Closing Balance	19,97,779	18,24,000	17,60,000
Total—			
Balance on April 1st	11,12,61,591	11,32,26,000	13,73,32,000
Special grants from Imperial revenues	1,57,25,350	1,58,08,000	2,07,48,000
Other revenue	45,03,82,013	46,32,43,000	46,60,14,000
Total Revenue including transfers from Imperial revenues	46,61,07,363	47,90,51,000	48,67,62,000
Total Expenditure	46,41,43,270	45,49,45,000	48,82,29,000
Closing Balance	11,32,25,684	13,73,32,000	13,58,65,000
Total (in sterling)—	£	£	£
Balance on April 1st	7,417,439	7,548,400	9,155,400
Special grants from Imperial revenues	1,048,357	1,053,900	1,383,200
Other revenue	30,025,467	30,882,800	31,067,600
Total Revenue including transfers from Imperial revenues	31,073,824	31,936,700	32,450,800
Total Expenditure	30,942,884	30,329,700	32,548,600
Closing Balance	7,548,379	9,155,400	9,057,600

R. A. GAMBLE, *Comptroller General.*

M. M. S. GUBBAY, *Offg. Controller of Currency.*

J. B. BRUNYATE, *Secy. to the Govt. of India.*

DELHI,
FINANCE DEPARTMENT,
March 21, 1917.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1915-1916.					REVISED ESTIMATE, 1916-1917.		BUDGET ESTIMATE, 1917-1918.	
		EXPENDITURE.							
	Revenue.	Refunds and Assignments.	Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue — Land Revenue (excluding that due to Irrigation)	22,031,161	771,413	3,903,714	17,356,034		17,374,000		17,455,500	
Opium	1,913,514	3,602	1,144,331	765,581		2,138,200		2,064,700	
Salt	3,647,587	274,789	376,722	2,996,076		4,120,500		3,295,600	
Stamps	5,433,632	56,831	147,150	5,229,601		5,574,700		5,734,500	
Excise	8,632,209	133,938	470,740	8,027,531		8,558,300		8,730,600	
Provincial Rates	41,845	30	...	41,815		30,500		27,500	
Customs	5,873,886	153,579	262,264	5,458,043		8,093,300		8,884,100	
Income Tax	2,090,109	16,053	34,426	2,039,630		3,530,600		5,047,200	
Forest	2,074,425	9,160	1,242,867	822,398		1,045,300		888,600	
Registration	518,879	966	259,840	258,073		276,400		283,500	
Tributes	609,128	204,905	...	404,223		397,700		411,100	
TOTAL	52,866,375	1,625,316	7,842,054	43,399,005		51,139,500		52,822,900	
Total deduction from Revenue		9,467,370							
Expenditure Heads.									
Debt Services — Interest	1,096,417	1,190,364			93,947	339,600			4,737,100
Commercial Services — Posts and Telegraphs	3,787,478	3,149,680		637,798		621,100		743,800	
Railways	17,977,103	13,901,665		4,075,438		6,796,300		6,105,600	
Irrigation	4,779,079	3,721,096		1,057,983		1,287,600		1,291,200	
Other Public Works — Civil Works, etc.	304,035	5,451,727			5,147,692		4,369,700		5,259,600
Mint — Mint	101,918	89,373		12,545		452,100		30,500	
Civil Departments — Civil Departments	1,579,904	18 868,215			17,288,311		17,935,700		19,383,500
Miscellaneous Civil Services — Superannuation	213,927	3,470,283			3,256,356		3,274,100		3,312,400
Exchange	74,254	...		74,254		146,700			
Miscellaneous	302,173	472,439			170,266		260,900		110,500
Other heads	89,134	1,185,953			1,096,819		1,171,800		1,246,300
Famine Relief and Insurance — Famine Relief	...	74,695			74,695		192,700		56,300
Other heads	...	925,305			925,305		807,300		943,700
Military Services — Army — Effective	816,434	18,693,270			17,876,836		20,361,100		21,136,300
Army — Non-effective	123,509	3,199,930			3,076,421		2,936,000		3,093,300
Marine	223,263	745,513			522,250		371,400		577,700
Military works	78,534	850,866			772,332		1,457,000		1,078,700
Special Defences (1902)	...	13,514			13,514		29,500		14,000
TOTAL	84,413,537	85,471,258			1,057,721	7,595,700		37,600	
Provincial Adjustment — Surplus		130,940			130,940		1,607.000		
Deficit		...						97,800	
TOTAL	84,413,537	85,602,198			1,188,661	5,988,700		135,400	
Surplus						5,988,700		135,400	
Deficit					1,188,661				
Capital Account — Railway, Irrigation and other Capital not charged to Revenue:— Capital raised through Companies towards outlay on State Railways				3,472,246					
Capital contributed by Native States towards construction of State Railways				66,667		66.700		66,700	
Capital raised and deposited by Railway Companies (net)				393,201		733,000		316,600	
Outlay on Irrigation Works					812,953		590,300		600,000
Outlay on State Railways					4,776,112		1,293,100		3,224,200
Initial outlay on new Capital at Delhi					331,274		266.700		266,700
Outlay of Railway Companies (net)					439,753		1,056,800		648,400
Debt, Deposits, Advances, and Remittances — Permanent Debt (net)				2,379,334		6,692,400		6,416,700	
Temporary Debt (net)					3,000,000		11,000,000		333,300
Unfunded Debt (net)				899,842		1,675,000		1,926,700	
Loans and Advances by Imperial Government (net)				15,103			37,700		120,700
Loans and Advances by Provincial Governments (net)				308,232		547,500		262,500	
Loans to Local Boards for Railway Construction (net)				7,709		8.000		8,300	
Deposits and Advances (net)				5,829,927		1,560,000		787,900	
Remittances (net)					241,434		2,366,900		7,279,800
Secretary of State's Bills drawn				4,590,034		9,669,000		...	
Secretary of State's Bills paid					5,045,774		8,585,900		466,700
Sterling Bills on London drawn				4,668,000					
Sterling Bills on London paid					4,668,000				
Cash Balance — Opening Balance				22,630,795	20,503,961	26,940.300	25,197,400	9,922,800	12,939,800
Closing Balance				22,692,570		24,819,404		26,562,304	
					24,819,404		26,562,304		23,545,304
			TOTAL	45,323,365	45,323,365	51,759,704	51,759,704	36,485,104	36,485,104

R. A. GAMBLE,
Comptroller General.

M. M. S. GUBBAY,
Offg. Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT,
March 21, 1917.

MEMORANDUM EXPLAINING THE DETAILS OF THE ESTIMATES.

Introductory.

In this memorandum the variations between the Budget and the Revised estimates of the current year, and between the latter and the Budget estimates of next year, are explained in detail for the major heads of account. Under most of the heads details by provinces have been given, and it may be explained that the figures shown against "India General" represent the transactions of the Central Government, including all expenditure directly controlled by it, of the minor administrations of Ajmer-Merwara and Coorg, and of the convict settlement in the Andamans. The Budget estimates of Provincial and "Divided" expenditure in 1917-18 generally represent the allotments proposed by the several Governments and Administrations with whom regular provincial settlements have been concluded. More detailed information regarding the figures will be found in the Financial Statements presented by the Local Governments to their respective Councils.

2. The figures for the Province of Delhi have been entered separately and explained under each major head of account. A *pro formâ* account of expenditure on Delhi and the Delhi province is also appended to this memorandum (Appendix I), together with a prefatory note explaining the scope of the *pro formâ* account and the relation between it and the regular accounts.

3. A statement is added to the memorandum (Appendix II) bringing together for each province and for the Home treasury of the Government of India the actual revenue and expenditure under each major head during the last year, the Revised estimates of the current year and the Budget estimates of the next year. The statement takes the place of a return which has hitherto been presented separately to Parliament and will serve as an expansion of the totals of revenue and expenditure exhibited in the Budget Statements proper (Statements A to E) and as a summary of the figures shown for each province under the several heads in this memorandum.

General results.

4. The broad totals of revenue and expenditure for the last year, the current year and the ensuing year, are as follows :—

	Accounts, 1915-16.
	£
Revenue	84,413,537
Expenditure charged to Revenue	85,602,198
Imperial deficit	1,188,661

	Revised, 1916-17.
	£
Revenue	96,774,500
Expenditure charged to Revenue	90,785,800
Imperial surplus	5,988,700

	Budget, 1917-18.
	£
Revenue	98,870,800
Expenditure charged to Revenue	98,735,400
Imperial surplus	135,400

These figures exclude all capital, debt and remittance transactions.

Accounts, 1915-16.

5. The Accounts of 1915-16 are not discussed in this memorandum, but according to our usual practice in the past a brief explanation is given below of the principal divergences between the Revised estimates of revenue and expenditure as submitted to the Council twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Comptroller and Auditor-General.

6. The broad results are brought out in the following table :—

	Revised, 1915-16.			Actuals, 1915-16.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
	£	£	£	£	£	£
Revenue . . .	52,593,900	30,731,900	83,325,800	53,339,700	31,073,800	84,413,500
Expenditure . .	54,388,100	31,296,900	85,685,000	54,528,400	30,942,800	85,471,200
Surplus (+) or deficit (—)	—1,794,200	—565,000	—2,359,200	—1,188,700	+131,000	—1,057,700

7. The Imperial revenue exceeded the Revised estimate by £745,800 and the Imperial expenditure by £140,300, with the result that the deficit was £605,500 smaller than was anticipated. The principal items contributing to this improvement are mentioned below. There was a saving of £164,600 in the grants for the working expenses of railways, mainly on the Great Indian Peninsula, Bombay, Baroda and Central India and North-Western lines, owing to their inability to spend up to expectations for want of imported materials; with a small excess of £73,000 in gross traffic receipts, the rise in the net receipts of Railways amounted to £237,600. The Salt revenue improved by £157,000; owing to low stocks and high prices, traders were anxious to secure the prior right of obtaining salt and continued to pay duty in March 1916 in advance of actual clearances. The Imperial share of Land Revenue including the portion due to Irrigation showed a rise of £130,500, owing mainly to the collection in Bombay in March 1916 of revenue which was expected to be realised in April and to larger recoveries of survey and settlement charges in Bengal. There was a lapse of £71,300 in the grant for the expenditure of the Postal and Telegraph Department. On the other hand, the net Military expenditure went up by £218,700 owing to a change in the method of adjustment of the cost of imported stores utilised for fitting up transports; the Revised estimate contemplated that the cost of the stores would be adjusted under a suspense head pending debit to the Home Government, while in the accounts it has been treated in the first instance as service expenditure, the recoveries from the Home Government being effected in subsequent years as the stores are utilised for particular works. The improvement of £696,000 in the Provincial section was the result mainly of better collections of land, excise, and forest revenue and of savings in the grants for expenditure on police, education and land revenue establishments.

Authors of Memorandum.

8. Paragraphs 217 to 232 of the memorandum have been communicated by the Honourable Mr. G. B. H. Fell, C.S.I., C.I.E., Financial Adviser, Military Finance, and paragraphs 175 to 185 and 246 to 249 by Mr. H. N. Heseltine, Accountant General, Railways; the rest of the memorandum has been drafted by Mr. A. V. Venkataramana Aiyar, B. A., Assistant Secretary in the Finance Department.

I AND 3.—LAND REVENUE.

REVENUE.

(Including the portion due to Irrigation.)

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General . .	7,26,582	7,24,712	7,14,006	7,35,000	7,74,000	7,43,000
2. Delhi . . .	3,53,143	3,19,227	4,13,467	3,80,000	3,49,000	3,73,000
3. Baluchistan . .	10,40,110	10,18,550	9,45,527	10,18,000	10,58,000	10,60,000
4. North-West Frontier	21,57,652	22,60,241	22,03,033	22,27,000	21,75,000	22,77,000
5. Other Provinces .	19,79,133	17,59,382	23,30,959	36,78,000	36,48,000	39,50,000
Total .	62,56,620	60,82,112	66,56,992	80,38,000	80,04,000	84,03,000
Divided and Provincial.						
1. Madras . . .	6,79,52,486	6,77,35,907	6,97,93,862	7,00,41,000	6,95,39,000	7,09,89,000
2. Bombay . . .	5,84,72,294	5,36,52,418	5,49,84,813	5,47,07,000	5,37,62,000	5,48,62,000
3. Bengal . . .	2,71,19,880	2,69,87,049	2,82,05,800	2,75,21,000	2,77,09,000	2,78,59,000
4. United Provinces .	6,08,30,926	6,40,10,989	6,93,40,212	6,68,58,000	6,63,03,000	6,73,06,000
5. Punjab . . .	3,70,43,558	3,86,30,652	3,87,69,925	3,68,75,000	4,03,57,000	4,02,62,000
6. Burma . . .	4,65,26,001	4,48,07,155	4,66,63,827	4,68,00,000	4,74,00,000	4,79,00,000
7. Bihar and Orissa .	1,53,28,723	1,51,42,994	1,50,92,834	1,53,14,000	1,54,24,000	1,52,98,000
8. Central Provinces .	1,87,22,197	1,88,25,898	1,97,48,498	2,00,71,000	2,00,71,000	2,00,90,000
9. Assam . . .	78,86,558	74,65 876	78,16,153	81,62,000	78,57,000	81,76,000
Total .	33,98,82,623	33,72,58,938	35,04,16,224	34,63,49,000	34,84,82,000	35,27,42,000
TOTAL REVENUE . R	34,61,39,243	34,33,41,050	35,70,73,216	35,43,87,000	35,64,86,000	36,11,45,000
Shown under I.—Land Revenue . R	32,08,73,629	31,83,23,088	33,04,67,411	32,89,82,000	33,03,52,000	33,32,72,000
Shown under XXIX.—Irrigation . R	2,52,65,614	2,50,17,962	2,66,05,805	2,54,05,000	2,61,34,000	2,78,73,000
Equivalent of total Revenue in Sterling £	23,075,949	22,889,403	23,804,881	23,625,700	23,765,800	24,076,400
Shown under I.—Land Revenue . £	21,391,575	21,221,539	22,031,161	21,932,100	22,023,500	22,218,200
Shown under XXIX.—Irrigation . £	1,684,374	1,667,864	1,773,720	1,693,600	1,742,300	1,858,200

EXPENDITURE.

Imperial.						
1. India General . .	4,06,460	4,11,539	4,13,480	4,12,000	4,18,000	4,22,000
2. Delhi . . .	92,143	1,02,099	1,06,710	1,03,000	1,06,000	1,06,000
3. Baluchistan . .	2,34,196	2,29,749	2,29,586	2,05,000	2,24,000	2,23,000
4. North-West Frontier .	6,20,763	6,48,563	6,32,824	6,89,000	6,65,000	7,06,000
5. Other Provinces .	30,29,266	34,02,717	30,42,742	29,28,000	26,74,000	31,01,000
Total .	43,82,828	47,94,667	44,25,342	43,37,000	40,87,000	45,58,000
Provincial.						
1. Madras . .	1,46,94,474	1,25,47,258	1,23,55,014	1,27,04,000	1,23,49,000	1,25,50,000
2. Bombay . .	84,71,319	89,04,087	86,58,731	89,85,000	84,21,000	87,92,000
3. Bengal . . .	34,40,775	33,89,970	34,76,687	34,52,000	34,96,000	35,57,000
4. United Provinces .	88,65,404	91,84,818	95,07,344	99,11,000	96,50,000	98,92,000
5. Punjab . .	49,09,849	49,87,071	49,46,687	51,44,000	47,73,000	51,13,000
6. Burma . . .	70,06,631	68,14,945	70,94,318	69,55,000	68,91,000	69,42,000
7. Bihar and Orissa .	24,53,629	24 69,531	23,12,937	24,37,000	23,39,000	25,33,000
8. Central Provinces .	40,18,749	41,15,623	41,26,317	42,61,000	40,27,000	40,52,000
9. Assam . . .	15,26,750	14,77,681	16,37,550	16,78,000	17,05,000	16,75,000
Total .	5,53,87,580	5,38,90,984	5,41,15,585	5,55,27,000	5,36,51,000	5,51,06,000
TOTAL INDIA . . R	5,97,70,408	5,86,85,651	5,85,40,927	5,98,64,000	5,77,38,000	5,96,64,000
Equivalent in Sterling £	3,984,693	3,912,377	3,902,729	3,990,900	3,849,200	3,977,600
England . . . £	1,729	1,641	985	1,600	2,100	2,000
TOTAL EXPENDITURE £	3,986,422	3,914,018	3,903,714	3,992,500	3,851,300	3,979,600

9. The Imperial expenditure shown against "Other Provinces" in the table at page 21 represents the cost of survey and record-of-right operations on a large scale in Bengal and in Bihar and Orissa, undertaken more for administrative than for fiscal purposes. The expenditure is of a temporary and varying character and was accordingly not considered suitable for inclusion in the financial settlements with the two provinces. Three-fourths of the charges are eventually recovered from landlords and tenants for the protection of whose rights the operations are primarily undertaken; and the recoveries are shown in the table as Imperial revenue against "Other Provinces."

REVENUE.

(*a*) *Wholly Imperial.*

Revised, 1916-17.

10. The Revised estimate for 1916-17 does not differ materially from the Budget. There is a decrease of R4·52 lakhs in the recoveries of survey and settlement charges in Bihar and Orissa, owing to excess realisations in 1915-16 and to postponement of collections in the current year; on the other hand, there is an increase of R4·22 lakhs in the receipts on the same account in Bengal owing to recoveries of arrears. There is also a decline in the Land Revenue collections in the North-West Frontier Province owing to suspensions of revenue in consequence of unfavourable agricultural conditions in the early part of the year.

Budget, 1917-18.

11. The Budget estimate for 1917-18 is taken at R3·99 lakhs more than the Revised for 1916-17. Provision has been made for the collection of arrears in Bihar and Orissa and the North-West Frontier Province.

(*b*) *Divided and wholly Provincial.*

Revised, 1916-17.

12. The total collections in 1916-17 are likely to exceed the Budget by R21·33 lakhs. A large rise of R34·82 lakhs is expected in the Punjab owing to an excellent *kharif* harvest and the extension of colonisation operations and new settlements. There will also be increases of R6 lakhs in Burma owing mainly to improved revenue from petroleum and wolfram, and of R2·48 lakhs in Bengal in consequence of higher collections from Government estates owing to the prosperous condition of the jute trade. On the other hand, decreases of revenue are expected to the extent of R9·45 lakhs in Bombay as the result of the advance collection in March 1916 of instalments due in the following month; of R5·55 lakhs in the United Provinces owing to suspensions and remissions necessitated by floods and the failure of winter rains in limited areas; and of R5·02 lakhs in Madras and R3·05 lakhs in Assam, mainly in consequence of the damage caused to crops in some districts by cyclone and floods.

Budget, 1917-18.

13. The total Budget estimate for 1917-18 is taken at R42·60 lakhs more than the Revised estimate for 1916-17. The estimates have been framed as usual on the basis of normal monsoon conditions in the coming year; but allowance has been made for the failure of the winter rains in the Punjab. Provision has been made generally for normal growth in the revenue demand and for recoveries of arrears.

EXPENDITURE.

(*a*) *Wholly Imperial* (*India and England*).

Revised, 1916-17.

14. The saving of R2·43 lakhs on the Budget estimate for 1916-17 is chiefly due to lapses in the grants for survey and settlement expenditure in Bengal and Bihar and Orissa. The Budget estimate for 1917-18 has been taken at R4·70 lakhs more than the Revised of the current year. The increase is almost wholly due to a larger provision for the same item of expenditure.

Budget, 1917-18.

(*b*) *Provincial.*

Revised, 1916-17.

15. The total expenditure in the current year will fall short of the Budget by R18·76 lakhs. The reduction is distributed over almost all the provinces

and is generally due to a partial relaxation of the restrictions on the grant of leave out of India to members of the Indian Civil Service and the temporary transfer of several officers to military duty. A portion of the saving is also derived from—

(1) larger recoveries in Madras from private estates for surveys made on their behalf,

(2) the total or partial non-utilization of grants for the revision of certain establishments in Madras and the United Provinces,

(3) the postponement of survey and settlement operations in the Punjab, the United Provinces and the Central Provinces, and

(4) the discontinuance of grain compensation allowance in the Punjab from the 1st July 1916.

Budget, 1917-18.

16. The total Budget estimate for 1917-18 exceeds the Revised for the current year by R14·55 lakhs. The increase is distributed over all the provinces with the exception of Assam. Provision has generally been made on the basis of existing sanctions and commitments. Special allotments have been made for grain compensation allowance throughout the year in the Punjab, for a larger programme of survey and settlement operations in that province and in the United Provinces, and for the revision of village establishments in Madras and land record establishments in the Central Provinces.

II AND 4.—OPIUM.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
INDIA.						
Revenue—						
Bengal—Sale of Opium	1,91,92,177	1,87,71,783	2,25,03,225	2,84,82,000	4,14,66,000	4,49,90,000
Bombay—Pass and Auction Fees	4,12,500	...	...	...	...	...
Excise Opium and other Revenue	47,68,501	48,11,491	61,99,487	58,22,000	58,31,000	58,50,000
TOTAL R	2,43,73,178	2,35,83,274	2,87,02,712	3,43,04,000	4,72,97,000	5,08,40,000
Equivalent in Sterling £	1,624,878	1,572,218	1,913,514	2,286,900	3,153,100	3,589,300
Expenditure—						
Purchase of Opium, including payments to Cultivators	1,39,32,608	85,79,357	1,58,70,745	1,30,06,000	1,37,51,000	1,83,26,000
Other Charges	12,42,832	12,27,924	12,82,616	12,95,000	14,07,000	14,76,000
TOTAL INDIA R	1,51,75,440	98,07,281	1,71,53,361	1,43,01,000	1,51,58,000	1,98,02,000
Equivalent in Sterling £	1,011,696	653,819	1,143,557	953,400	1,010,500	1,320,100
ENGLAND.						
Miscellaneous Charges £	744	270	774	500	800	900
TOTAL £	1,012,440	654,089	1,144,331	953,900	1,011,300	1,321,000
Statistics—						
Bengal—						
Chests sold	9,070	11,598	12,660	15,550	16,094	16,870
Average price	R2,116	R1,619	R1,778	R1,832	R2,576	R2,667
Chests produced	7,000	11,950	10,000	...	12,000	...
Chests in Balance, March 31	14,747	15,099	12,439	...	8,345	...
Reserve, December 31	11,117	6,219	4,889	...	1,789	...

REVENUE.

(*i*) *Bengal opium.*

Revised, 1916-17.

17. The Budget estimate for 1916-17 provided for a revenue of R284·82 lakhs from the sale of 15,550 chests of Bengal opium, the bulk of which was to be disposed of at the monthly auctions held at Calcutta, while a certain number was to be supplied to the Governments of the Straits Settlements and Hongkong or sold in England for medicinal purposes. 9,129 chests have been sold by public auction during the year and have fetched a revenue of R271·02 lakhs, *i.e.*, an average of R2,969 a chest, the upset price having been raised from R1,800 to R2,500 a chest from the 1st July 1916, while a further enhancement to R3,200 a chest with effect from the 1st April 1917 was notified on the 24th January 1917. An arrangement has also been entered into for the direct supply of opium to the Government of the Netherlands Indies on the lines of that in force with the Governments of the Straits Settlements and Hongkong. Taking into account opium supplied to these Governments and sold in England for medicinal purposes, it is expected that about 16,100 chests will be disposed of in the current year, the proceeds amounting to R414·66 lakhs.

18. The Budget estimate for 1917-18 anticipates a revenue of R449·90 lakhs from the sale of about 16,900 chests of Bengal opium, of which 7,000 chests will be sold by public auction and the balance will be supplied to the Governments of Hongkong, the Straits Settlements and the Netherlands Indies, or sold in England for medicinal purposes. *Budget, 1917-18.*

(*ii*) *Excise opium and other revenue.*

19. The figures show little variation and call for no remark. Only the amount charged to Local Governments on account of the cost of production of opium consumed in India is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue.

EXPENDITURE.

20. The Revised estimate for 1916-17 exceeds the Budget provision by R8·61 lakhs. The rise is mainly due to additional purchases of Malwa opium undertaken towards the close of the current year. The Budget estimate for 1917-18 provides for an expansion of the area cultivated with poppy in the United Provinces and for the increase recently sanctioned in the rate of payment to cultivators from R7½ to R9 a seer of crude opium. It also includes a special provision for purchases in Malwa to supplement the supply of Bengal opium. *Revised, 1916-17.* *Budget, 1917-18.*

III AND 5.—SALT.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
REVENUE.						
Northern India (*a*) .	1,19,33,135	1,56,28,033	1,47,09,662	1,33,30,000	2,50,79,000	1,20,00,000
Madras (*a*) . . .	1,11,65,670	1,17,06,298	1,15,78,575	1,28,30,000	1,29,30,000	1,40,80,000
Bombay (*a*) . . .	1,33,12,469	1,49,70,019	1,39,91,462	1,56,30,000	1,78,00,000	1,78,25,000
Bengal (*b*) . .	1,30,41,436	1,40,25,260	1,23,67,112	1,57,22,000	1,33,13,000	1,30,86,000
Burma (*b*) . . .	22,24,656	23,29,911	20,64,895	23,00,000	26,65,000	26,00,000
Bihar and Orissa . .	1,314	1,471	1,256	1,000	1,000	1,000
Assam . . .	897	849	840	1,000	1,000	1,000
TOTAL ₹	5,16,79,577	5,86,61,841	5,47,13,802	5,98,14,000	7,17,89,000	5,95,93,000
Equivalent in Sterling £	3,445,305	3,910,790	3,647,587	3,987,600	4,785,900	3,972,900
CHARGES.						
Establishment charges .	43,77,303	43,17,603	43,72,216	45,26,000	43,92,000	45,51,000
Cost of salt purchased by Government . .	10,91,399	10,64,773	12,41,171	14,51,000	15,66,000	15,43,000
Total India ₹	54,68,702	53,82,376	56,13,387	59,77,000	59,58,000	60,94,000
Equivalent in Sterling £	364,580	358,825	374,226	398,500	397,200	406,300
England . . £	793	1,692	2,496	1,000	2,500	2,300
TOTAL £	365,373	360,517	376,722	399,500	399,700	408,600
Total Consumption Mds.	4,83,05,000	5,13,28,000	4,72,09,000	4,66,00,000	4,88,11,000	4,87,90,000

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

REVENUE.

Revised, 1916-17.

21. Owing partly to a rise in prices which has resulted from a demand for Northern India salt for consumption in areas which formerly used the imported article and partly to the usual speculation in apprehension of a further increase in duty, there has been an anxiety on the part of traders in Northern India to secure the prior right of clearing salt, and with this object heavy payments of duty have been made in advance of clearances. At the same time the clearances have also been larger than usual owing to the increased demand just mentioned. These causes will bring in an additional revenue of ₹117·49 lakhs in Northern India.

There will also be increases of ₹21·70 lakhs in Bombay and ₹3·65 lakhs in Burma in the revenue from locally produced salt, but a nearly equivalent shortage is anticipated in the duty on imported salt in Bengal owing to a contraction of imports in consequence of freight difficulties.

Budget, 1917-18.

22. The total issues of salt in 1917-18, imported as well as locally produced, are taken at a normal figure of 4,88 lakhs of maunds. Owing however to the advance payments of duty in Northern India in the current year, only 4,34 lakhs out of this quantity are expected to pay duty during the next year. Allowing for sale-proceeds of Government salt and other miscellaneous receipts, the Budget estimate of revenue for 1917-18 has accordingly been placed at ₹595·93 lakhs.

EXPENDITURE.

Revised, 1916-17.

Budget, 1917-18.

23. The Revised estimate for the current year does not differ materially from the Budget. In the Budget estimate for 1917-18, provision has been made for the charges of sanctioned establishments and for some special items of expenditure in Northern India and Bombay.

IV AND 6.—STAMPS.

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General . .	4,46,004	4,30,499	4,45,677	4,36,000	4,24,000	4,24,000
2. Delhi . . .	3,06,098	3,26,745	3,22,777	3,29,000	3,41,000	3,42,000
3. Baluchistan . .	99,961	87,078	89,550	86,000	89,000	90,000
4. North-West Frontier	6,67,211	6,19,027	6,74,843	6,84,000	7,10,000	7,25,000
TOTAL .	15,19,274	14,63,349	15,32,847	15,35,000	15,64,000	15,81,000
Divided.						
1. Madras . . .	1,41,67,616	1,38,98,284	1,51,01,998	1,55,00,000	1,56,00,000	1,60,50,000
2. Bombay . . .	88,79,758	80,59,237	85,28,187	84,00,000	97,50,000	96,50,000
3. Bengal . . .	2,19,10,831	2,02,68,265	2,24,37,340	2,24,00,000	2,45,00,000	2,58,00,000
4. United Provinces .	1,19,51,748	1,18,18,155	1,25,11,383	1,27,50,000	1,29,40,000	1,34,00,000
5. Punjab . . .	56,24,557	54,38,062	58,11,218	58,00,000	60,00,000	61,00,000
6. Burma . . .	36,19,029	34,28,201	35,15,055	36,00,000	36,00,000	36,50,000
7. Bihar and Orissa .	67,62,790	68,04,228	66,97,240	67,80,000	73,50,000	75,50,000
8. Central Provinces .	39,39,587	36,21,293	39,44,865	40,00,000	43,00,000	45,50,000
9. Assam . . .	13,99,197	14,31,576	14,24,354	14,92,000	14,10,000	14,50,000
TOTAL .	7,82,55,113	7,47,67,301	7,99,71,640	8,07,22,000	8,54,50,000	8,77,00,000
TOTAL REVENUE ₹	7,97,74,387	7,62,30,650	8,15,04,487	8,22,57,000	8,70,14,000	8,92,81,000
Distribution of Total Revenue :—						
Court Fees and Plain Paper . . .	5,27,70,185	5,24,85,951	5,60,06,140	5,65,85,000	5,90,13,000	6,05,01,000
Commercial and other stamps . . .	2,56,19,186	2,31,20,128	2,48,62,238	2,44,30,000	2,66,53,000	2,74,67,000
Other Revenue . .	13,85,016	6,24,571	6,36,109	12,42,000	13,48,000	13,13,000
Equivalent of total revenue in Sterling £	5,318,293	5,082,043	5,433,632	5,483,800	5,800,900	5,952,100

EXPENDITURE.

Imperial.						
1. India General :—						
(*i*) Superintendence and other charges .	2,51,270	2,38,454	2,25,214	2,26,000	2,65,000	2,61,000
(*ii*) Credits for value of stamps supplied to Local Governments and administrations and to the Postal and Telegraph Departments.	—17,15,604	—15,06,504	—15,01,791	—16,32,000	—15,83,000	—16,19,000
2. Delhi . . .	6,659	5,931	6,456	6,000	7,000	6,000
3. Baluchistan . .	1,432	1,256	1,312	1,000	1,000	1,000
4. North-West Frontier	26,391	22,608	22,405	24,000	27,000	29,000
TOTAL .	—14,29,852	—12,38,255	—12,46,404	—13,75,000	—12,83,000	—13,22,000
Divided.						
1. Madras . . .	4,46,089	4,33,776	4,13,897	4,24,000	4,42,000	4,44,000
2. Bombay . . .	2,45,299	2,37,489	2,38,679	2,46,000	2,56,000	2,48,000
3. Bengal . . .	7,23,132	6,22,265	5,82,710	6,96,000	6,33,000	6,28,000
4. United Provinces .	3,16,617	2,42,781	2,63,448	2,57,000	2,63,000	2,72,000
5. Punjab . . .	1,91,685	1,71,110	1,78,242	1,74,000	1,78,000	1,77,000
6. Burma . . .	1,01,592	91,573	94,632	95,000	1,02,000	1,00,000
7. Bihar and Orissa .	2,15,483	2,19,626	1,77,887	2,30,000	2,03,000	2,07,000
8. Central Provinces .	1,29,551	1,11,528	1,10,505	1,25,000	1,24,000	1,27,000
9. Assam . . .	59,383	64,062	48,108	63,000	48,000	50,000
TOTAL .	24,28,831	21,94,210	21,08,108	23,10,000	22,49,000	22,53,000
TOTAL INDIA . ₹	9,98,979	9,55,955	8,61,704	9,35,000	9,66,000	9,31,000
Equivalent in Sterling £	66,598	63,730	57,447	62,300	64,400	62,100
England . £	106,545	56,133	89,703	89,900	105,000	98,600
TOTAL EXPENDITURE £	173,143	119,863	147,150	152,200	169,400	160,700

REVENUE.

(*a*) *Wholly Imperial.*

24. The figures show little variation and do not call for remark.

(*b*) *Divided.*

Revised, 1916-17.

25. The total Revised for 1916-17 exceeds the Budget by no less than R47·28 lakhs. The latter provided for a very moderate growth on the revenue of the preceding year, in view of the uncertainty as to the effects of continued war conditions on trade and litigation generally. There has, however, been a remarkable revival of internal trade and business during the current year, and the improvement in Stamp revenue is shared by all provinces with the exception of Assam and Burma. The largest increases occur in Bengal (R21·00 lakhs) and Bombay (R13·50 lakhs) where trade in particular directions has been stimulated by war conditions. Of the total rise of about R47 lakhs, R24 lakhs are expected in the revenue from court-fee stamps, and R22 lakhs in that derived from non-judicial stamps.

Budget, 1917-18.

26. The Budget for 1917-18 provides for a further moderate growth in revenue in almost all the provinces and is taken at R22·50 lakhs higher than the Revised estimate for 1916-17.

EXPENDITURE.

27. The cost of all stamps and stamp paper supplied from England is charged under this head, and an adjustment is made in India transferring to Posts and Telegraphs the cost of stamps used for postal and telegraph purposes. Similarly the cost of revenue stamps supplied to Local Governments and Administrations is debited to them in the Provincial section of the accounts by *per contra* credit in the Imperial section under this head. The credits on both these accounts are shown against item I (*ii*) under expenditure in the table on page 27.

(*a*) *Wholly Imperial* (*including outlay in England*).

Revised, 1916-17.
Budget, 1917-18.

28. The Revised estimate for 1916-17 exceeds the Budget by R3·18 lakhs; and the Budget for 1917-18 is R1·35 lakhs less than the Revised estimate for the current year. These variations occur mostly in the credits mentioned in paragraph 27 and in the outlay in England on the manufacture of stamps.

(*b*) *Divided.*

Revised, 1916-17.
Budget, 1917-18.

29. The Revised estimate for the current year is less than the Budget by R·61 lakh owing to a fall in Bengal and Bihar and Orissa in the consumption of plain paper used with court-fee stamps. The Budget estimate for 1917-18 does not differ materially from the Revised for the current year.

V AND 7.—EXCISE.

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General .	16,52,238	16,12,055	16,31,925	16,00,000	18,44,000	18,20,000
2. Delhi . . .	2,70,569	2,73,867	2,65,765	2,58,000	2,45,000	2,45,000
3. Baluchistan . .	2,79,743	2,91,692	2,98,920	3,13,000	3,63,000	3,63,000
4. North-West Frontier	3,50,113	3,54,363	3,53,604	3,19,000	3,59,000	3,35,000
Total .	25,52,663	25,31,977	25,50,214	24,90,000	28,11,000	27,63,000
Divided and wholly Provincial.						
1. Madras . .	3,65,11,075	3,66,18,734	3,51,18,758	3,55,35,000	3,69,00,000	3,78,00,000
2. Bombay . .	2,22,59,446	2,20,07,779	2,27,91,330	2,22,00,000	2,54,00,000	2,56,00,000
3. Bengal . . .	1,53,88,578	1,53,74,624	1,51,40,074	1,50,50,000	1,45,00,000	1,46,00,000
4. United Provinces .	1,33,03,687	1,24,44,302	1,22,11,130	1,23,90,000	1,34,20,000	1,36,10,000
5. Punjab . .	69,13,580	69,21,307	70,59,656	63,64,000	75,00,000	77,35,000
6. Burma . . .	83,42,572	88,94,183	81,11,370	81,95,000	89,03,000	91,00,000
7. Bihar and Orissa .	1,12,60,115	1,15,93,047	1,09,71,527	1,06,28,000	1,11,00,000	1,13,00,000
8. Central Provinces .	1,16,24,099	1,10,55,162	1,00,65,862	1,00,00,000	1,11,50,000	1,18,16,000
9. Assam . . .	52,58,690	54,12,099	54,63,211	54,18,000	55,54,000	56,00,000
Total .	13,08,61,842	13,03,21,237	12,69,32,918	12,57,80,000	13,44,27,000	13,71,61,000
TOTAL REVENUE R	13,34,14,505	13,28,53,214	12,94,83,132	12,82,70,000	13,72,38,000	13,99,24,000
Equivalent in Sterling £	8,894,300	8,856,881	8,632,209	8,551,300	9,149,200	9,328,200

EXPENDITURE.

Imperial.						
1. India General .	98,545	98,509	97,701	1,05,000	99,000	91,000
2. Delhi . . .	6,232	6,283	7,873	10,000	9,000	11,000
3. Baluchistan . .	11,655	11,644	11,355	13,000	12,000	13,000
4. North-West Frontier	12,929	13,244	15,388	18,000	15,000	17,000
Total .	1,29,361	1,29,680	1,32,317	1,46,000	1,35,000	1,32,000
Divided and wholly Provincial.						
1. Madras . .	18,20,840	18,33,739	18,52,487	18,76,000	18,34,000	18,56,000
2. Bombay . .	10,85,613	11,43,213	11,47,633	11,26,000	11,26,000	11,31,000
3. Bengal . . .	6,25,743	7,17,585	7,74,858	8,39,000	8,70,000	9,00,000
4. United Provinces .	4,34,532	4,60,058	4,81,865	5,02,000	4,86,000	5,04,000
5. Punjab . .	1,85,580	2,15,338	2,25,691	2,60,000	2,43,000	2,58,000
6. Burma . . .	12,68,898	12,77,533	12,52,270	12,66,000	12,59,000	12,57,000
7. Bihar and Orissa .	5,50,017	5,65,501	5,85,276	6,28,000	6,04,000	6,15,000
8. Central Provinces .	3,46,508	4,25,345	4,80,171	5,64,000	4,85,000	5,48,000
9. Assam . . .	1,14,400	1,22,192	1,22,242	1,23,000	1,23,000	1,23,000
Total .	64,32,131	67,60,504	69,22,493	71,84,000	70,30,000	71,92,000
Total India R	65,61,492	68,90,184	70,54,810	73,30,000	71,65,000	73,24,000
Equivalent in Sterling £	437,433	459,346	470,321	488,700	477,700	488,300
England £	96	339	419	200	400	200
TOTAL EXPENDITURE £	437,529	459,685	470,740	488,900	478,100	488,500

REVENUE.

(a) *Wholly Imperial.*

Revised, 1916-17. 30. The Revised estimate for 1916-17 exceeds the Budget by R3·21 lakhs. The increase occurs mainly in Bangalore and is due partly to a rise in duties.

Budget, 1917-18. The Budget estimate for 1917-18 does not differ materially from the Revised for the current year.

(b) *Divided and wholly Provincial.*

Revised, 1916-17. 31. The improvement in agricultural and economic conditions during the year has resulted in a considerable expansion of the revenue from Excise and the Revised estimate is now taken at R86·47 lakhs more than the Budget. The increase is shared by all the provinces except Bengal, but is largest in Bombay.

Budget, 1917-18. 32. The total Budget for 1917-18 exceeds the Revised estimate for the current year by R27·34 lakhs. The estimates allow for a moderate growth of revenue in all the provinces.

EXPENDITURE.

(a) *Wholly Imperial.*

33. The figures show little variation.

(b) *Divided and wholly Provincial.*

Revised, 1916-17. 34. The expenditure in 1916-17 is expected to fall short of the Budget by R1·54 lakhs owing to lapses in grants in several provinces, chiefly the Central Provinces and Madras.

Budget, 1917-18. The Budget estimate for 1917-18 provides for normal charges of sanctioned establishments. Provision has been made in the Central Provinces for a revision of the excise staff.

VI.—PROVINCIAL RATES.

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
Imperial.						
1. India General .	2,777	310	103	1,000	1,000	1,000
2. Delhi . . .	411	681	...	...	...	...
3. North-West Frontier.	2,777	2,897	3,715	2,000	3,000	1,000
TOTAL .	5,965	3,888	3,818	3,000	4,000	2,000
Provincial.						
1. Bengal . . .	1,31,340	1,70,453	2,33,853	1,04,000	1,45,000	1,18,000
2. United Provinces .	23,65,542	2,27,357	1,63,716	1,55,000	1,60,000	1,66,000
3. Punjab . . .	20,572	39,442	31,356	29,000	37,000	30,000
4. Bihar and Orissa .	1,67,953	1,25,559	1,83,487	1,20,000	1,00,000	86,000
5. Assam . . .	11,782	15,512	11,446	15,000	12,000	13,000
TOTAL .	26,97,189	5,78,323	6,23,858	4,23,000	4,54,000	4,13,000
TOTAL REVENUE R	27,03,154	5,82,211	6,27,676	4,26,000	4,58,000	4,15,000
Equivalent in Sterling £	180,210	38,814	41,845	28,400	30,500	27,600

Imperial.

35. The figures show little variation.

Provincial.

36. The Revised estimate for 1916-17 exceeds the Budget by R·31 lakh. The increase is due to the recovery in Bengal of arrears of the public works cess which remained outstanding on the 31st March 1913, when the revenue was surrendered to district boards. The Budget estimate for 1917-18 provides for normal collections in the various provinces. *Revised, 1916-17.* *Budget, 1917-18.*

VII AND 9—CUSTOMS.

SEA CUSTOMS.	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
IMPORTS.						
Special Import Duties.						
1. Arms, Ammunition, and Military Stores	6,63,892	5,34,491	5,69,571	8,19,000	9,44,000	9,34,000
2. Coal, coke, and patent fuel	...	...	2,081	...	14,000	14,000
3. Cotton Manufactures	2,12,94,239	1,53,57,474	1,35,22,821	1,20,00,000	1,68,00,000	2,85,00,000
4. Liquors—						
(*a*) Ale, Beer, Porter, Cider and other fermented Liquors	8,72,629	6,73,587	5,65,325	7,00,000	6,83,000	7,00,000
(*b*) Spirits and Liqueurs	1,19,12,202	1,10,41,004	1,07,73,536	1,19,00,000	1,14,65,000	1,09,65,000
(*c*) Wines	5,82,933	4,54,114	4,50,925	5,20,000	5,90,000	6,13,000
5. Opium	6,791	4,151	4,222	6,000	6,000	6,000
6. Petroleum	70,53,109	85,72,342	71,54,327	70,00,000	57,50,000	40,00,000
7. Silver, Bullion and Coin	99,24,998	1,54,51,014	95,56,955	90,00,000	14,50,000	5,00,000
8. Silver manufactures	...	...	...	...	3,50,000†	3,50,000†
9. Sugar	92,33,103	43,97,167	60,66,583	1,26,00,000	1,34,00,000	1,26,00,000
10. Tobacco	29,29,526	26,78,335	28,36,568	32,55,000	45,64,000	45,64,000
General Import Duties.						
11. Articles of Food and Drink (excluding Sugar)	30,43,837	29,17,941	31,78,023	42,60,000	53,00,000	40,00,000
12. Chemicals, Drugs, Medicines and Dyeing and Tanning Materials	18,41,175	13,71,377	14,91,995	19,00,000	31,00,000	31,00,000
13. Metals and manufactures of metals other than silver	73,29,237	49,22,511	36,79,729	46,50,000	80,00,000	70,00,000
14. Oils (excluding Petroleum)	1,95,833	1,69,889	1,80,764	2,40,000	3,30,000	3,30,000
15. Manufactured Articles	1,53,40,176	1,07,74,616	1,24,30,056	1,58,50,000	2,30,00,000	2,15,00,000
16. Raw Materials and Unmanufactured Articles	13,77,488	13,60,083	13,84,015	18,20,000	24,00,000	25,00,000
17. Articles which were free prior to 1st March 1916	...	...	...	24,00,000*	...	...
TOTAL IMPORTS	9,36,01,868	8,06,80,096	7,38,47,296	8,89,20,000	9,81,46,000	10,21,76,000
18. EXCISE DUTY ON COTTON GOODS	54,38,863	49,40,931	49,25,571	45,00,000	47,34,000	48,59,000
19. EXCISE DUTY ON MOTOR SPIRIT	...	...	...	...	...	22,50,000
20. EXPORT DUTIES—						
(*a*) Jute, raw and manufactured	...	...	1,74,804	87,00,000	1,14,00,000	1,80,00,000
(*b*) Rice	1,28,75,686	82,97,881	76,25,692	70,00,000	93,37,000	85,00,000
(*c*) Tea	...	...	92,630	45,00,000	41,50,000	35,00,000
21. LAND CUSTOMS AND MISCELLANEOUS	14,56,885	12,59,102	14,42,300	18,50,000	16,19,000	16,37,000
GRAND TOTAL ₹	11,33,73,302	9,52,08,010	8,81,08,293	11,54,70,000	12,93,86,000	14,09,22,000
Equivalent in Sterling £	7,558,220	6,347,201	5,873,886	7,698,000	8,625,800	9,394,800
CHARGES ₹	39,12,274	39,54,820	39,30,783	40,59,000	40,65,000	42,87,000
Equivalent in Sterling £	260,818	263,655	262,052	270,600	271,000	285,800
England £	434	624	212	100	400	100
TOTAL £	261,252	264,279	262,264	270,700	271,400	285,900

* The revenue has been distributed under the other heads in the Revised estimate for 1916-17 and Budget estimate for 1917-18.

† The figures for Budget, 1916-17, and for previous years are included under the head "Manufactured Articles."

REVENUE.

37. It has been decided to enhance, with effect from the 1st March 1917, the customs duties levied (*a*) on the imports of cotton manufactures from

3½ per cent. *ad valorem* to the general import tariff rate of 7½ per cent., and (*b*) on the exports of jute, raw and manufactured, by 100 per cent., *i.e.*, to double the rates of duties imposed last March. In the case of jute exports, all forward contracts entered into before the 1st March 1917 which do not contain a provision for enhancement of price with reference to any future increase of duty, will, as on the last occasion, be exempted from the enhanced rates of duties. Exports for the War Office will also be exempted altogether from taxation. Allowing for these factors and for the prohibition recently announced of private imports of jute into the United Kingdom, the additional revenue in the current and next years from the changes proposed is estimated as follows :—

(In lakhs of rupees.)

	Revised estimate, 1916-17.	Budget estimate, 1917-18.
Imports of cotton manufactures	10·00	150·00
Exports of jute, raw and manufactured	2·00	75·00
Total	12·00	225·00

Revised, 1916-17.

38. Apart from the yield of the additional duties, the Revised estimate of Customs revenue in 1916-17 amounts to R12,81·86 lakhs or R127·16 lakhs more than the Budget estimate. The latter assumed that the revenue in the current year would continue to be depressed by the scarcity of freight and other factors which have affected it since the commencement of the war, and allowed further for a contraction of imports consequent on the enhanced and new duties imposed in March 1916. Both the import and the export revenue have however proved to be much more favourable than was anticipated. Most of the tariff heads show substantial increases *viz.*, manufactured articles (R71·50 lakhs), cotton manufactures (R38·00 lakhs), metals and manufactures of metals other than silver (R33·50 lakhs), tobacco (R13·09 lakhs), chemicals, drugs, etc., (R12·00 lakhs), articles of food and drink (R10·40 lakhs), sugar (R8·00 lakhs), and the export duties on jute (R25·00 lakhs) and rice (R23·37 lakhs). On the other hand, there will be considerable shortages under silver bullion and coin (R75·50 lakhs) and petroleum (R12·50 lakhs). The high prices which have ruled for silver since May last and the heavy demands for coinage, both in India and in European countries, have reduced the private imports of that metal almost to a negligible quantity, while the imports of petroleum have been affected by freight difficulties in addition to high prices.

Budget, 1917-18.

39. On the existing basis of taxation, the Budget estimate of Customs revenue in 1917-18 is taken at R11,84·22 lakhs, or R97·64 lakhs less than the Revised estimate for 1916-17 calculated on the same basis. The yield under most tariff heads has, as stated above, been specially high in the current year and it is not considered safe to count on a continuance of the same favourable conditions during 1917-18. It has to be assumed also that the difficulties in regard to freight will become more acute as the war is prolonged and that imports from the United Kingdom will diminish in quantity in consequence of the efforts to apply the available resources of the Empire as fully as possible to the prosecution of the war. Thus restrictions were recently placed on the exports of foodstuffs from the United Kingdom. In the case of silver again, the present price level and the diminished imports of the current year point to a very low revenue from this source. As regards the export trade, this is at present specially affected by difficulties in regard to finance and the revenue prospects have been impaired by the restrictions recently announced in regard to imports of jute and tea into the United Kingdom.

Important decreases are accordingly anticipated under most tariff heads, *viz.*, cotton manufactures (R23·00 lakhs), petroleum (R17·50 lakhs), manufactured articles (R15·00 lakhs, due mainly to the prohibition of the import of motor cars), articles of food and drink (R13·00 lakhs), metals and manufactures of metals other than silver (R10·00 lakhs), silver bullion and coin (R9·50 lakhs), sugar (R8·00 lakhs), and the export duties on rice (R8·37

lakhs), jute (R7·00 lakhs) and tea (R6·50 lakhs). Allowance has been made under the last two heads for the prohibition mentioned above, and under jute for the fact that we shall obtain in the next year, so far as the existing scale of duty is concerned, the revenue which has been lost in 1916-17 by the exemption of forward contracts.

Credit has been taken for a revenue of R22·50 lakhs from the excise duty on motor spirit which has been imposed as a war measure with effect from the 16th February.

EXPENDITURE.

Revised, 1916-17.
Budget, 1917-18.

40. The expenditure in 1916-17 is not expected to differ materially from the Budget grant. The Budget estimate for 1917-18 provides for normal charges of sanctioned establishments and includes a lump grant of R1·26 lakhs for the strengthening of the preventive service in Bombay and the purchase and upkeep of vessels for that service.

VIII AND 10.—INCOME TAX.

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
SUPER-TAX—IMPERIAL.	...	...	...	...	...	2,02,50,000
ORDINARY INCOME-TAX.						
Imperial.						
1. India General (Civil) .	8,92,706	9,38,178	9,36,151	14,91,000	18,45,000	18,73,000
2. Delhi (Civil) . .	2,13,430	2,57,998	1,61,778	2,14,000	4,05,000	3,05,000
3. Baluchistan (Civil) .	21,089	22,019	21,330	22,000	34,000	34,000
4. North-West Frontier (Civil) . . .	1,52,860	1,66,139	1,71,418	2,18,000	2,50,000	2,56,000
5. Other Provinces (Civil) . . .	20,355	31,948	18,789	18,000	93,000	1,00,000
6. Non-Civil Departments . . .	15,11,918	14,91,447	14,39,064	19,91,000	20,89,000	21,09,000
Total .	28,12,358	29,07,729	27,49,030	39,54,000	47,16,000	46,77,000
Divided.						
1. Madras . . .	37,47,460	40,28,350	40,74,656	52,20,000	57,90,000	60,00,000
2. Bombay . . .	66,91,205	68,68,409	73,32,639	1,05,30,000	1,33,00,000	1,35,00,000
3. Bengal . . .	66,37,916	69,84,610	72,26,611	1,06,80,000	1,60,00,000	1,80,00,000
4. United Provinces .	26,79,138	26,36,028	28,01,166	36,78,000	40,76,000	41,80,000
5. Punjab . . .	17,19,918	17,88,307	18,55,709	23,40,000	23,93,000	25,80,000
6. Burma . . .	22,90,649	25,46,145	24,75,430	36,80,000	38,68,000	38,25,000
7. Bihar and Orissa .	13,85,293	14,24,225	14,28,417	18,80,000	19,00,000	19,30,000
8. Central Provinces .	8,62,741	9,08,909	9,47,825	11,33,000	13,30,000	13,48,000
9. Assam . . .	4,27,067	4,58,287	4,60,160	5,97,000	6,48,000	6,50,000
Total .	2,64,41,387	2,76,43,270	2,86,02,613	3,97,38,000	4,93,05,000	5,20,13,000
TOTAL REVENUE R .	2,92,53,745	3,05,50,999	3,13,51,643	4,36,92,000	5,40,21,000	7,69,40,000
Equivalent in Sterling £	1,950,250	2,036,733	2,090,109	2,912,800	3,601,400	5,129,300

EXPENDITURE.

Imperial.						
1. India General . .	1,566	1,320	1,244	2,000	2,000	2,000
2. Delhi . . .	1,108	1,413	1,466	1,000	2,000	3,000
3. North-West Frontier	958	916	955	1,000	1,000	1,000
Total .	3,632	3,649	3,665	4,000	5,000	6,000
Divided.						
1. Madras . . .	39,175	41,221	60,561	64,000	66,000	66,000
2. Bombay . . .	1,45,318	1,65,847	1,71,853	1,82,000	1,82,000	2,09,000
3. Bengal . . .	1,54,577	1,54,085	1,52,964	1,52,000	1,61,000	1,69,000
4. United Provinces .	264	291	413	...	...	...
5. Punjab . . .	16,935	12,614	12,423	28,000	27,000	29,000
6. Burma . . .	46,539	46,554	47,732	48,000	49,000	49,000
7. Bihar and Orissa .	44,790	44,824	45,996	45,000	46,000	46,000
8. Central Provinces .	12,908	15,488	16,253	19,000	21,000	38,000
9. Assam . . .	4,663	4,821	4,522	5,000	5,000	5,000
Total .	4,65,169	4,85,745	5,12,717	5,43,000	5,57,000	6,11,000
TOTAL EXPENDITURE R	4,68,801	4,89,394	5,16,382	5,47,000	5,62,000	6,17,000
Equivalent in Sterling £	31,254	32,626	34,426	36,500	37,500	41,100

REVENUE.

(*i*) *Super-tax—Imperial.*

Additional Taxation.

41. It has been decided to impose, from the 1st April next, a super-tax on large incomes on the following scale, in addition to the ordinary rates of income-tax now payable:—

(*i*) The first ₹50,000 of income per year to be exempt from super-tax.

(*ii*) The next ₹50,000 of the excess, *i.e.* between ₹½ and 1 lakh, to pay 1 anna in the rupee.

(*iii*) The second ₹50,000 of the excess, *i.e.* between ₹1 lakh and 1½ lakhs, to pay 1½ annas in the rupee.

(*iv*) The third ₹50,000 of the excess, *i.e.* between ₹1½ and 2 lakhs, to pay 2 annas in the rupee.

(*v*) The fourth ₹50,000 of the excess, *i.e.* between ₹2 and 2½ lakhs, to pay 2½ annas in the rupee.

(*vi*) The balance of the excess, *i.e.* everything over ₹2½ lakhs, to pay 3 annas in the rupee.

42. The yield from the super-tax is estimated at £1,350,000 distributed as follows, and will be recorded in the accounts under a separate minor head which will be treated as wholly Imperial:—

	(In lakhs of rupees.)
India General	·50
Madras	10·00
Bombay	66·00
Bengal	107·00
United Provinces	5·00
Punjab	1·00
Burma	8·00
Bihar and Orissa	3·00
Central Provinces	2·00
Total	202·50

(*ii*) *Ordinary income-tax.*

(*a*) *Imperial.*

Revised, 1916-17.

43. The Revised estimate for 1916-17 exceeds the Budget by ₹7·62 lakhs. An increase of ₹1·91 lakhs occurs in Delhi, owing to the collection of arrears and improved methods of assessment. The rest of the excess relates mainly to the yield from the enhanced income-tax rates introduced in connection with the last Budget. The Budget estimate for 1917-18 does not differ materially from the Revised for the current year. The recoveries of arrears included in the current year's revenue in Delhi are omitted and normal collections estimated for other administrations.

Budget, 1917-18.

(*b*) *Divided.*

Revised, 1916-17.

44. The Revised estimate for the current year exceeds the Budget by ₹95·67 lakhs. The bulk of the increase is expected in Bengal (₹53·20 lakhs) and Bombay (₹27·70 lakhs) and is attributable to the abnormal profits which have been realised in certain trades in the year 1915-16 as the result of war conditions. Minor increases of revenue are expected in all the other provinces.

Budget, 1917-18.

45. The Budget estimate for 1917-18 exceeds the Revised estimate for the current year by ₹27·08 lakhs. The trades which have been favoured by war conditions have been even more prosperous during the greater part of 1916-17 than in the preceding year, and it is expected that the level of receipts reached

in the current year will be more than maintained in 1917-18. Of the increase of R27·08 lakhs, R20·00 lakhs will accrue in Bengal and allowance has been made for normal growth in all the other provinces except Burma.

EXPENDITURE.

(*a*) *Imperial.*

46. The figures show little variation.

(*b*) *Divided.*

47. The expenditure in the current year is not expected to differ materially from the Budget grant. The Budget estimate for 1917-18 includes provision for additional establishments in Bombay and the Central Provinces and for a revision of the pay of the existing establishment in the former province.

Revised, 1916-17.

Budget, 1917-18.

IX AND 11.—FOREST.

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
Imperial.						
1. India General .	8,26,213	5,90,319	9,37,836	7,58,000	11,31,000	10,32,000
2. Baluchistan . .	19,987	19,058	21,633	20,000	21,000	21,000
3. North-West Frontier	2,66,741	2,38,013	1,86,815	2,21,000	2,14,000	2,42,000
Total .	11,12,941	8,47,390	11,46,284	9,99,000	13,66,000	12,95,000
Provincial.						
1. Madras . . .	42,00,320	39,41,537	41,06,838	39,50,000	45,00,000	42,00,000
2. Bombay . . .	51,03,156	46,80,242	47,01,263	46,44,000	52,00,000	52,30,000
3. Bengal . . .	16,16,111	13,04,496	11,45,610	11,50,000	12,40,000	13,00,000
4. United Provinces .	37,12,487	31,35,235	37,38,831	40,33,000	44,40,000	43,85,000
5. Punjab . . .	13,54,943	14,38,005	17,27,283	15,41,000	15,58,000	15,74,000
6. Burma . . .	1,15,71,965	97,07,694	96,99,217	95,80,000	1,13,00,000	1,10,30,000
7. Bihar and Orissa .	4,91,735	5,49,779	5,17,727	5,40,000	5,70,000	5,60,000
8. Central Provinces .	31,86,454	32,72,529	32,78,262	32,00,000	33,40,000	33,60,000
9. Assam . . .	10,97,969	8,32,877	10,55,052	10,90,000	12,10,000	10,66,000
Total .	3,23,35,140	2,88,62,394	2,99,70,083	2,97,28,000	3,33,58,000	3,27,05,000
TOTAL INDIA R	3,34,48,081	2,97,09,784	3,11,16,367	3,07,27,000	3,47,24,000	3,40,00,000
Equivalent in Sterling £	2,229,872	1,980,652	2,074,425	2,048,500	2,314,900	2,266,700

EXPENDITURE.

Imperial.						
1. India General . .	9,12,162	9,28,367	10,69,300	10,36,000	10,66,000	12,66,000
2. Delhi . . .	...	177	...	...	...	...
3. Baluchistan . .	25,310	26,000	27,995	30,000	29,000	30,000
4. North-West Frontier	1,31,023	1,25,593	1,04,795	1,19,000	1,14,000	1,41,000
Total .	10,68,495	10,80,137	12,02,090	11,85,000	12,09,000	14,37,000
Provincial.						
1. Madras . . .	29,35,817	28,60,685	29,27,318	28,82,000	27,70,000	29,63,000
2. Bombay . . .	25,89,878	24,87,925	26,42,038	27,25,000	26,00,000	29,46,000
3. Bengal . . .	6,40,157	6,70,935	5,93,635	6,54,000	5,90,000	6,52,000
4. United Provinces .	18,96,014	23,17,740	25,63,307	29,23,000	29,16,000	30,79,000
5. Punjab . . .	9,19,177	8,89,302	9,23,879	10,00,000	9,47,000	11,34,000
6. Burma . . .	42,75,066	46,80,447	48,86,242	46,40,000	49,18,000	52,23,000
7. Bihar and Orissa .	3,55,648	3,84,371	3,61,550	4,56,000	4,37,000	4,33,000
8. Central Provinces .	19,53,129	19,36,569	17,34,336	19,17,000	17,60,000	19,26,000
9. Assam . . .	9,10,240	8,98,339	7,55,214	7,81,000	7,20,000	7,15,000
Total .	1,64,75,126	1,71,26,313	1,73,90,519	1,79,78,000	1,76,58,000	1,90,76,000
TOTAL INDIA R	1,75,43,621	1,82,06,450	1,85,92,609	1,91,63,000	1,88,67,000	2,05,13,000
Equivalent in Sterling £	1,169,575	1,213,763	1,239,507	1,277,500	1,257,800	1,367,500
England . . £	4,913	4,045	3,360	3,300	2,500	1,600
TOTAL EXPENDITURE £	1,174,488	1,217,808	1,242,867	1,280,800	1,260,300	1,369,100
NET REVENUE £	1,055,384	762,844	831,558	767,700	1,054,600	897,600

REVENUE.

(*a*) *Imperial.*

48. The increase of R3·67 lakhs in the revenue in the current year, as compared with the Budget estimate, is mainly due to larger sales of sandal-wood in Coorg and of padouk in Port Blair. The Budget estimate for 1917-18 anticipates a reduction in the high receipts obtained in the current year. *Revised, 1916-17.* *Budget, 1917-18.*

(*b*) *Provincial.*

49. The Revised estimate for 1916-17 is more than the Budget by R36·30 lakhs. A large rise of R17·20 lakhs is anticipated in Burma owing to increased receipts from royalty on the extraction of teak, a revival in the demand for timber, partly from State Railways and the Royal Indian Marine, and the higher prices that have been realised. There will also be smaller increases in all the other provinces due to a general recovery in the timber market and to an improvement in the demand for other forest produce. *Revised, 1916-17.*

50. The Budget estimate for 1917-18 anticipates a decline in Madras (R3·00 lakhs), Burma (R2·70 lakhs) and Assam (R1·44 lakhs) where the receipts have been specially large in the current year, and falls short of the Revised by R6·53 lakhs. *Budget, 1917-18.*

EXPENDITURE.

(*a*) *Imperial (including outlay in England).*

51. The Revised estimate for 1916-17 does not differ materially from the Budget. The Budget for 1917-18 provides for sanctioned charges and for special expenditure on the extension of departmental working in the Andamans forests. *Revised, 1916-17.* *Budget, 1917-18.*

(*b*) *Provincial.*

52. The Revised estimate for 1916-17 is less than the Budget by R3·20 lakhs. The saving is mainly due to the postponement of expenditure on works which are not of an urgent character. It is shared by all the provinces except Burma, but is largest in the Central Provinces (R1·57 lakhs), Bombay (R1·25 lakhs), and Madras (R1·12 lakhs). In Burma alone there will be an excess (R2·78 lakhs) over the Budget grant owing mainly to an increase in the outturn of teak extracted on behalf of Government and to a larger outlay on the purchase of elephants. *Revised, 1916-17.*

53. The total Budget estimate for 1917-18 exceeds the Revised for the current year by R14·18 lakhs. Owing to the improved revenue from forests in the current and next years, provision has been made in most provinces for special expenditure on their development which is either of an urgent character or will be immediately remunerative. In Bihar and Orissa and Assam alone, the grants for the next year are taken at about the same amounts as the probable expenditure in the current year. *Budget, 1917-18.*

X. AND 12.—REGISTRATION.

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
Imperial.						
1. India General . .	25,538	21,238	19,714	21,000	19,000	20,000
2. Delhi . . .	22,674	23,012	22,342	23,000	23,000	24,000
3. Baluchistan . .	3,096	3,072	3,188	3,000	3,000	3,000
4. North-West Frontier	44,958	44,404	46,243	44,000	48,000	45,000
Total .	96,266	91,726	91,487	91,000	93,000	92,000
Provincial.						
1. Madras . . .	23,58,537	22,43,183	23,37,549	24,00,000	25,00,000	26,00,000
2. Bombay . . .	8,27,555	7,53,619	7,95,528	7,50,000	8,40,000	8,50,000
3. Bengal . . .	20,16,144	18,12,868	20,36,068	20,50,000	21,40,000	22,00,000
4. United Provinces .	7,04,603	6,87,167	7,33,642	7,10,000	7,30,000	7,40,000
5. Punjab . . .	3,77,516	3,52,872	3,55,564	3,25,000	3,68,000	3,58,000
6. Burma . . .	2,48,155	2,31,049	2,49,935	2,50,000	2,42,000	2,50,000
7. Bihar and Orissa .	6,28,855	6,46,731	6,96,048	7,00,000	6,60,000	6,70,000
8. Central Provinces .	4,18,084	3,47,873	3,74,251	3,65,000	4,50,000	4,44,000
9. Assam . . .	1,08,711	1,12,335	1,13,115	1,19,000	1,05,000	1,10,000
Total .	76,88,160	71,87,697	76,91,700	76,69,000	80,35,000	82,22,000
TOTAL INDIA ₹ .	77,84,426	72,79,423	77,83,187	77,60,000	81,28,000	83,14,000
Equivalent in Sterling £	518,962	485,295	518,879	517,400	541,900	554,300

EXPENDITURE.

Imperial.						
1. India General . .	9,341	8,090	7,393	8,000	7,000	8,000
2. Delhi . . .	5,880	6,930	7,111	7,000	7,000	7,000
3. Baluchistan . .	1,061	1,358	1,434	1,000	1,000	1,000
4. North-West Frontier	11,195	12,124	12,374	12,000	13,000	13,000
Total .	27,477	28,502	28,312	28,000	28,000	29,000
Provincial.						
1. Madras . . .	12,68,755	12,73,585	12,56,016	12,67,000	13,16,000	13,39,000
2. Bombay . . .	3,69,660	3,70,772	3,71,933	3,73,000	3,75,000	3,78,000
3. Bengal . . .	11,26,558	11,17,210	11,27,328	11,09,000	11,29,000	11,36,000
4. United Provinces .	2,89,214	2,93,128	3,11,322	3,10,000	3,07,000	3,08,000
5. Punjab . . .	1,19,932	1,22,006	1,26,149	1,24,000	1,27,000	1,30,000
6. Burma . . .	1,06,644	1,05,981	1,08,725	1,03,000	1,09,000	1,06,000
7. Bihar and Orissa .	3,32,556	3,65,689	3,78,240	3,86,000	3,81,000	3,93,000
8. Central Provinces .	1,32,386	1,28,308	1,24,536	1,28,000	1,29,000	1,58,000
9. Assam . . .	58,611	64,513	65,051	71,000	68,000	72,000
Total .	38,04,316	38,41,192	38,69,300	38,71,000	39,41,000	40,20,000
TOTAL INDIA ₹ .	38,31,793	38,69,694	38,97,612	38,99,000	39,69,000	40,49,000
Equivalent in Sterling £	255,453	257,980	259,840	259,900	264,600	269,900

REVENUE.

Imperial.

54. The figures show little variation.

Provincial.

55. The specially favourable agricultural and economic conditions of the current year have contributed to an increase in Registration revenue and the Revised estimate exceeds the Budget by ₹3·66 lakhs. *Revised, 1916-17.*

56. The Budget estimate for 1917-18 is taken at ₹1·87 lakhs more than the Revised for 1916-17. Provision has been made for normal growth in Madras and Bengal, and elsewhere the estimates are generally based on the revenue expected to be realised in 1916-17. *Budget, 1917-18.*

EXPENDITURE.

Imperial.

57. The figures show little variation.

Provincial.

58. The Revised estimate for the current year exceeds the Budget by ₹·70 lakh owing mainly to larger expenditure on temporary establishments in Madras and Bengal and an increase in the minimum pay of clerks in the former province. *Revised, 1916-17.*

59. The Budget estimate for 1917-18 includes provision for the revision of establishments in the Central Provinces and for a full year's cost of the increase in the minimum pay of clerks in Madras. *Budget, 1917-18.*

XI.—TRIBUTES.

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
Imperial.						
1. India General .	19,61,417	18,81,572	19,92,599	20,09,000	19,95,000	20,09,000
2. Madras . .	44,96,519	44,96,519	44,96,520	44,97,000	44,97,000	44,97,000
3. Bombay . .	14,28,999	14,01,838	12,88,860.	13,39,000	12,14,000	13,89,000
4. Bengal . .	67,701	67,701	67,701	68,000	68,000	68,000
5. United Provinces .	3,21,000	3,21,000	3,21,000	3,21,000	3,21,000	3,21,000
6. Punjab . . .	1,45,391	1,43,824	1,44,754	1,44,000	1,44,000	1,44,000
7. Burma . .	4,53,900	4,53,150	4,57,706	4,52,000	4,47,000	4,52,000
8. Bihar and Orissa .	85,499	85,500	85,499	86,000	86,000	86,000
9. Central Provinces .	2,42,687	2,46,187	2,32,187	2,39,000	2,39,000	2,39,000
10. Assam . . .	50,100	50,100	50,100	50,000	50,000	50,000
TOTAL INDIA ₹ .	92,53,213	91,47,391	91,36,926	92,05,000	90,61,000	92,55,000
Equivalent in Sterling £	616,881	609,827	609,128	613,700	604,100	617,000

60. The revenue recorded under this head represents tributes received from the protected States, in several cases as a result of exchanges of territory and settlement of claims, and contributions made chiefly in lieu of former obligation to supply or maintain troops. The figures do not ordinarily show any important fluctuations from year to year except for advance payment of sums falling due in the ensuing year, or arrears and their recovery.

Revised, 1916-17.

61. The Revised estimate for the current year is less than the Budget by ₹1·44 lakhs, the decrease being due mainly to the postponement of recoveries in Kathiawar in consequence of the unfavourable agricultural conditions in 1915-16 from which the States have not fully recovered. The Budget estimate for 1917-18 provides for a small recovery of arrears in Kathiawar and for normal receipts elsewhere.

Budget, 1917-18.

1.—REFUNDS AND DRAWBACKS.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General . .	50,921	67,324	1,06,922	80,000	53,000	78,000
2. Delhi . . .	8,999	12,696	5,455	12,000	11,000	11,000
3. Baluchistan . .	5,464	4,601	3,208	5,000	4,000	5,000
4. North-West Frontier	23,604	19,080	22,423	20,000	28,000	27,000
5. Other Provinces .	23,72,430	30,82,960	24,11,368	24,07,000	40,90,000	35,04,000
Total .	24,61,418	31,86,661	25,49,376	25,24,000	41,86,000	36,25,000
Divided and Provincial.						
1. Madras . . .	4,42,246	4,54,807	4,44,531	4,42,000	4,79,000	6,25,000
2. Bombay . . .	9,98,360	11,31,185	9,22,310	8,85,000	9,15,000	9,55,000
3. Bengal . . .	2,44,261	3,34,233	2,94,526	2,70,000	4,19,000	2,82,000
4. United Provinces .	2,48,369	2,78,336	2,48,117	2,68,000	3,04,000	2,90,000
5. Punjab . . .	1,82,367	1,97,841	1,70,118	1,87,000	2,13,000	1,81,000
6. Burma . . .	2,28,133	2,62,698	2,72,554	2,21,000	3,64,000	2,74,000
7. Bihar and Orissa .	1,21,767	1,03,961	93,726	93,000	1,00,000	96,000
8. Central Provinces .	82,636	1,01,829	1,22,115	97,000	78,000	85,000
9. Assam . . .	32,572	71,049	49,315	40,000	38,000	41,000
Total .	25,80,711	29,35,939	26,17,312	25,03,000	29,10,000	28,29,000
TOTAL INDIA R	50,42,129	61,22,600	51,66,688	50,27,000	70,96,000	64,54,000
Equivalent in Sterling £	336,142	408,173	344,446	335,100	473,000	430,300

(a) *Imperial.*

62. The wholly Imperial expenditure shown against "Other Provinces" represents refunds and drawbacks in respect of wholly Imperial revenue (*e.g.*, Opium, Salt, Customs and Tributes). The increase of R16·62 lakhs in the Revised estimate over the Budget for 1916-17 occurs under Customs refunds and is due to larger re-exports necessitated by the present trade conditions and to the new and enhanced duties introduced from the 1st March 1916. *Revised, 1916-17.*

63. The Budget estimate for 1917-18 provides for some decrease in the refunds of Customs revenue and is R5·61 lakhs less than the Revised for the current year. *Budget, 1917-18.*

(b) *Divided and Provincial.*

64. The expenditure fluctuates considerably from year to year and is difficult to estimate. In 1916-17, the Budget will be exceeded by R4·07 lakhs, owing mainly to higher refunds of income tax revenue necessitated by the Income-tax (Amendment) Act of 1916, the tax on interest on securities and dividends on shares being levied in the first instance at the full rate, subject to a refund on application with reference to the actual income of the assessee. There are also minor increases under land revenue and excise refunds in several provinces. *Revised, 1916-17.*

65. The Budget estimate for 1917-18 provides for a further rise of R1·43 lakhs under income-tax refunds and for a normal expenditure on other items. *Budget, 1917-18.*

2.—ASSIGNMENTS AND COMPENSATIONS.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
Imperial.						
1. India General . .	31,87,947	32,33,328	33,38,765	32,25,000	32,38,000	32,61,000
2. Delhi . . .	1,689	10,452	4,423	4,000	5,000	5,000
3. Baluchistan . .	2,01,407	2,04,716	2,01,888	2,02,000	2,02,000	2,02,000
4. North-West Frontier	17,736	18,212	17,769	18,000	18,000	18,000
5. Other Provinces .	35,40,050	35,39,025	35,51,743	35,29,000	35,52,000	35,58,000
Total .	69,48,829	70,05,733	71,14,588	69,78,000	70,15,000	70,44,000
Divided and Provincial.						
1. Madras . . .	6,20,012	5,55,118	6,19,472	6,17,000	6,06,000	6,00,000
2. Bombay . . .	1,03,54,259	1,05,67,450	1,08,82,022	1,09,86,000	1,08,79,000	1,08,20,000
3. Bengal . . .	54,317	68,546	60,060	70,000	82,000	70,000
4. United Provinces .	3,01,916	3,02,875	2,98,524	3,01,000	3,03,000	3,06,000
5. Punjab . . .	81,372	73,646	65,902	73,000	67,000	77,000
6. Burma . . .	415	400	400	1,000	1,000	1,000
7. Bihar and Orissa .	1,46,784	1,07,905	1,01,041	1,09,000	1,01,000	1,05,000
8. Central Provinces .	75,970	38,675	36,011	38,000	36,000	34,000
9. Assam . . .	32,638	34,040	35,039	35,000	36,000	35,000
Total .	1,16,67,683	1,17,48,655	1,20,98,471	1,22,30,000	1,21,11,000	1,20,48,000
TOTAL INDIA .	1,86,16,512	1,87,54,388	1,92,13,059	1,92,08,000	1,91,26,000	1,90,92,000
Equivalent in Sterling £	1,241,101	1,250,292	1,280,870	1,280,600	1,275,100	1,272,800

(*a*) *Imperial.*

66. The wholly Imperial expenditure shown against "Other Provinces" represents Opium, Salt and Customs compensations paid to Native States and Foreign Governments, as well as Miscellaneous compensations (*i.e.*, those of a general character and not intended to indemnify against loss of a particular kind of revenue) in provinces other than Bombay. The variations between the Budget and Revised estimates of the current year, and between the latter and the Budget of next year are due to the fact that the salt royalty payable to Jaipur and Jodhpur, and the customs compensation payable to Travancore and Cochin, fluctuate respectively with reference to the actual sales of salt and the actual realisations of customs revenue.

(*b*) *Divided and Provincial.*

Revised, 1916-17.

67. The Revised estimate for 1916-17 is less than the Budget by R1·19 lakhs. The decrease is mainly due to a lapse in Bombay in the provision for certain cash allowances payable for commutation of rights of service.

Budget, 1917-18.

The decrease of R·63 lakh in the Budget estimate for 1917-18 as compared with the Revised for the current year occurs in the excise compensations payable to certain chiefs in the same province.

XII.—INTEREST RECEIPTS.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. Interest on Imperial loans and advances . .	37,52,940	34,25,626	34,83,525	33,65,000	33,99,000	34,21,000
2. Profits of Paper Currency Circulation . .	34,70,420	34,70,420	34,70,420	34,70,000	34,70,000	34,70,000
3. Interest on overdrawn Capital of Railway Companies in India .	31,37,152	4,66,914	5,62,490	6,29,000	5,71,000	6,51,000
4. Interest charged to Capital on advances to Railway Companies .	5,13,168	66,523	39,990	9,000	10,000	11,000
5. Interest on Securities of Railway Companies' Provident Funds . .	...	...	...	...	...	20,00,000
6. Miscellaneous items .	3,48,583	3,50,620	3,55,844	2,45,000	3,17,000	3,00,000
TOTAL ₹	1,12,22,263	77,80,103	79,12,269	77,18,000	77,67,000	98,53,000
Provincial.						
1. Madras . . .	4,55,317	4,42,929	4,52,295	4,64,000	4,83,000	4,86,000
2. Bombay . . .	14,21,591	15,26,317	12,43,788	12,25,000	11,71,000	10,45,000
3. Bengal . .	4,29,999	4,14,486	4,63,551	6,54,000	6,16,000	5,88,000
4. United Provinces .	11,56,424	16,58,397	23,94,286	17,46,000	17,36,000	14,58,000
5. Punjab . . .	2,33,960	2,24,646	2,45,866	2,66,000	2,46,000	2,44,000
6. Burma . . .	1,42,937	1,30,615	1,71,053	1,61,000	1,76,000	1,79,000
7. Bihar and Orissa .	2,22,129	1,82,380	1,87,067	1,46,000	1,90,000	2,10,000
8. Central Provinces .	1,82,442	1,90,902	2,70,937	2,45,000	2,85,000	2,05,000
9. Assam . . .	24,239	66,896	43,885	1,12,000	61,000	2,00,000
TOTAL ₹	42,69,038	48,37,568	54,72,728	50,19,000	49,64,000	46,15,000
TOTAL INDIA ₹	1,54,91,301	1,26,17,671	1,33,84,997	1,27,37,000	1,27,31,000	1,44,68,000
Equivalent in Sterling £	1,032,754	841,178	892,333	849,100	848,700	964,500
ENGLAND.						
1. Profits of Paper Currency Circulation . . .	78,211	78,211	78,211	228,600	399,200	1,157,300
Deduct: transfer to the Paper Currency Reserve Depreciation Fund . .	...	...	...	...	*399,200*	*200,000*
Net profits of Paper Currency circulation	78,211	78,211	78,211	228,600	...	957,300
2. Interest realised from investment of Cash Balances.	205,689	79,969	93,458			
3. Interest on advances to the Imperial Bank of Persia for the purpose of the Persian Government . .	35,183	23,656	31,349	94,200	225,000	172,100
4. Miscellaneous . .	282	293	1,066	3,400	36,400	1,800
TOTAL £	319,365	182,129	204,084	326,200	261,400	1,131,200
TOTAL RECEIPTS £	1,352,119	1,023,307	1,096,417	1,175,300	1,110,100	2,095,700
Loans and advances *outstanding on* 31st March:—						
1. Imperial . £	6,044,330	6,037,605	5,939,789	5,918,205	5,975,089	6,093,389
2. Provincial . £	6,687,516	7,025,402	6,711,720	6,426,902	6,158,620	5,890,320

(*a*) *India—Imperial.*

Revised, 1916-17.

68. The Revised estimate for 1916-17 exceeds the Budget by ₹·49 lakh. There is an increase of ₹·72 lakh under Miscellaneous items due mainly to larger recoveries in respect of the unpaid balance of the sale price of Government lands in the Punjab. On the other hand, there will be a reduction of ₹·58 lakh in the interest on overdrafts of capital by the Burma Railways Company.

Budget, 1917-18.

69. The total Budget for 1917-18 is taken at ₹20·86 lakhs more than the Revised for the current year.

In connection with a scheme for the improvement of the provident funds of railway companies, with reference particularly to the loss caused to subscribers by the depreciation of the securities in which their assets are invested, the companies have been allowed the option of transferring the funds along with their assets to Government, which will take over the investments at their cost price (or if preferred by the companies, the securities held on the 31st March 1914 at their market value on that date and those since purchased at cost price). Four companies have offered to transfer the funds to Government under this arrangement and the transfer will be effected on the 1st April 1917. A provision of ₹20·00 lakhs has been made under Interest receipts for the interest on the securities which will be taken over by Government from the management of the funds.

(*b*) *India—Provincial.*

Revised, 1916-17.

70. The Revised estimate for 1916-17 is ₹·55 lakh less than the Budget. The decrease is the result of unimportant variations in all the provinces.

Budget, 1917-18.

71. The Budget estimate for 1917-18 provides generally for normal recoveries based on the current demand.

(*c*) *England.*

Revised, 1916-17.

72. The gross interest receipts in England in 1916-17 are likely to exceed the Budget estimate by £334,400 owing to increased investments on behalf of the Paper Currency Reserve and to a rise in the interest realised from investment of the cash balances of the Home treasury, which have proved to be larger and have earned a higher rate of interest than was anticipated. It has however been decided to apply the receipts in England from investments for the Paper Currency Reserve, amounting to £399,200, to the purchase of treasury bills on behalf of a depreciation fund which it is proposed to establish in respect of the present holding of consols in that Reserve. Allowing for this expenditure the net receipts in the current year will fall short of the Budget by £64,800.

Budget, 1917-18.

73. The gross interest receipts are taken in the Budget estimate for 1917-18 at £1,331,200, or £670,600 more than the Revised estimate for the current year, the rise being due to increased investments on behalf of the Paper Currency Reserve made in the latter part of 1916-17. It is proposed to purchase during the next year treasury bills to the value of £200,000 on behalf of the depreciation fund mentioned in the preceding paragraph. Allowing for this expenditure the net receipts in the next year will exceed the current year's Revised by £869,800.

13 AND 14.—INTEREST EXPENDITURE.

		Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Interest on Debt other than that charged to Railways and Irrigation Works—							
Interest on total Debt—							
1. India	₹	5,13,24,328	5,54,05,204	5,70,46,941	5,80,25,000	5,62,80,000	6,63,40,000
	£	3,421,622	3,693,680	3,803,130	3,868,300	3,752,000	4,422,700
2. England	£	5,912,796	6,077,903	6,182,399	6,088,700	5,846,800	11,155,800
Total		9,334,418	9,771,583	9,985,529	9,957,000	9,598,800	15,578,500
Deduct amounts charged to—							
(*a*) Railways:							
(*i*) India	₹	*5,39,53,685*	*6,30,88,705*	*6,42,62,141*	*6,62,23,000*	*6,50,07,000*	*6,62,00,000*
(*ii*) England	£	*3,596,912*	*4,205,914*	*4,284,143*	*4,414,900*	*4,333,800*	*4,413,300*
	£	*3,706,233*	*3,706,300*	*3,738,480*	*3,733,800*	*3,730,900*	*3,719,400*
Total Railways	£	*7,303,145*	*7,912,214*	*8,022,623*	*8,148,700*	*8,064,700*	*8,132,700*
(*b*) Irrigation:							
(*i*) India	₹	*1,77,92,499*	*1,92,62,258*	*1,98,60,762*	*2,07,28,000*	*2,04,59,000*	*2,09,64,000*
(*ii*) England	£	*1,186,167*	*1,284,150*	*1,324,051*	*1,381,800*	*1,363,900*	*1,397,600*
	£	*118,679*	*125,379*	*127,299*	*127,600*	*128,100*	*128,600*
Total Irrigation	£	*1,304,846*	*1,409,529*	*1,451,350*	*1,509,400*	*1,492,000*	*1,526,200*
Total deduction	£	*8,607,991*	*9,321,743*	*9,473,973*	*9,658,100*	*9,556,700*	*9,658,900*
Interest on Ordinary Debt	£	726,427	449,840	511,556	298,900	42,100	5,919,600
Distribution of above—							
Imperial	£	506,757	210,219	271,214	66,400	—181,000	5,702,100
Provincial	£	219,670	239,621	240,342	232,500	223,100	217,500
Interest on other Obligations—							
On Savings Bank Balances converted at ₹15=£1	£	560,453	525,444	473,085	487,000	528,100	708,100
Other items	£	228,773	215,973	205,723	203,800	200,300	205,100
TOTAL	£	789,226	741,417	678,808	690,800	728,400	913,200
GRAND TOTAL	£	1,515,653	1,191,257	1,190,364	989,700	770,500	6,832,800
Debt outstanding on 31st March—		£	£	£	£	£	£
Sterling		177,064,757	183,190,358	182,171,829	180,282,858	174,671,829	174,171,829*
Rupee Debt—		₹	₹	₹	₹	₹	₹
Indian War loan		...	...	...	...	4,50,00,000	15,00,00,000
4 per cent.		3,19,00,000	3,19,00,000	3,18,86,000	14,68,90,000	21,48,73,000	21,36,73,000
3½ per cent.		1,33,09,99,400	1,38,12,21,400	1,38,50,89,600	1,38,53,25,400	1,32,03,29,600	1,32,00,29,600
3 per cent.		8,23,18,000	8,20,59,500	7,75,47,200	7,72,75,500	7,22,67,200	7,19,17,200
Other Debt		1,16,38,390	1,00,84,300	1,00,74,900	1,00,14,300	1,00,13,900	1,00,13,900
Temporary loans		...	11,00,00,000	6,50,00,000	6,50,00,000	50,00,000	...
Savings Bank Balances		29,41,36,903	21,84,66,176	23,13,00,699	23,35,20,176	25,55,98,699	28,37,00,699

* Exclusive of War debt of the Home Government to be taken over by India during the year 1917-18.

Interest on ordinary debt.

Revised, 1916-17.

74. The expenditure in 1916-17 on account of interest payable on the public debt as a whole will fall short of the Budget estimate by R53·73 lakhs (£358,200). The latter contemplated the renewal of India bills for £5½ million which it has since been decided to discharge. The provision for discount on the India bills included in the Budget estimate is thus saved, and there is a decrease of £241,900 in the Revised estimate of expenditure in England as compared with the Budget. There is also a reduction of R17·45 lakhs in the Indian expenditure, the main items contributing to it being (*i*) a saving of R8·66 lakhs in the provision for the discount on the rupee loan to be raised in the current year; and (*ii*) a postponement of payments to the extent of R4 lakhs as a result of the conversion of 3 and 3½ per cent. securities into the 4 per cent. loan of 1916-17, the interest on the latter being payable on a later date than in the case of 3 and 3½ per cent. paper.

Budget, 1917-18.

75. In the Budget for 1917-18 provision has been made in India for a full year's interest on the conversion loan of R6¾ crores raised in the current year and £600,000 has been set aside for the service of the Indian war loan applications for which are being received from the 15th March. On the other hand, there will be a decrease of R18·80 lakhs as compared with the current year owing to the repayment in full of the temporary loan taken from the Gold Standard Reserve.

It has been decided that Indian revenues should undertake a contribution of £100 million to His Majesty's Government towards the cost of the European war. The proceeds of the Indian war loan are to be made over to the Home Government, the interest and other charges in connection with it being borne by India. The rest of her contribution is to take the form of meeting interest charges (including payments into a sinking fund) in respect of a portion of the Home Government's war debt equal to the difference between the total contribution of £100 million and the sums raised by direct Indian borrowings. The recurring liability involved by this measure of assistance is estimated at £6 million, but as a full year's interest will not be due in the first year it is proposed to increase the portion of the total payment of £6 million which is to be set aside for the sinking fund. Thus, deducting £600,000 provided for charges connected with the Indian war loan the proceeds of which are provisionally estimated at £10 million, a sum of £5,400,000 is available in 1917-18 for the service of the war contribution in England, and it is estimated that this sum will be applied as follows :—

	£
Interest on £90 million of the Home Government's war debt	3,375,000
Sinking fund in respect of above debt	1,000,000
Special additional sinking fund payment	1,025,000
	5,400,000

Transfers to Railway and Irrigation Accounts.

76. The amount of interest transferred to the Railway and Irrigation sections of the accounts depends, firstly, on the capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of railways or irrigation works; and, thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above purpose. Our practice is to adopt, for this adjustment, the average rate of interest actually paid in respect of the whole of the non-specific debt in the latest year for which complete accounts are available. The result is that the rate adopted in calculating the Revised estimate for a year is generally somewhat different from that used for the Budget estimate: and this usually leads to a difference between the two estimates apart from that caused by a variation in the capital expenditure itself.

The decrease of R15·21 lakhs (£101,400) in the Revised estimate of total interest to be transferred in 1916-17, as compared with the Budget, is due to a reduction in the rate, as well as in the capital at charge at the end of 1916-17. The increase in the total amount of interest to be transferred in 1917-18, over the Revised estimate for 1916-17, is almost wholly due to the progress of capital expenditure.

Revised, 1916-17.

Budget, 1917-18.

77. A portion of the interest on Ordinary Debt appears in the Provincial section of the accounts. Provincial Governments are authorised to grant advances to cultivators (as well as to certain other people in special cases) under various Acts, to Native States, to landholders and notabilities apart from the provisions of any law and to municipalities and local bodies (other than Presidency Corporations), out of amounts annually placed at their disposal by the Government of India. The interest actually levied on such advances is credited as Provincial revenue. But interest at a fixed rate is charged to the Local Governments on the mean between the outstanding balances of the Provincial Loan Accounts at the commencement of the year and at its close ; and this is done by transferring the amount so calculated from the Imperial to the Provincial section under Interest on Ordinary Debt. This rate was formerly fixed at 3½ per cent., but was raised during the current year to 4½ per cent. with reference to the rate of interest which the Government of India have had to pay on their own borrowings since the outbreak of the war. The enhanced rate is, however, applicable only to loans sanctioned subsequent to the 1st October 1916. The differences between the Budget and the Revised estimates of the amount to be transferred to the Provincial Section in the current year, and between the latter and the Budget estimate of 1917-18, are explained by the variations in the outstanding balances of the Provincial Loan Account as shown in the table at page 45.

Transfers to Provincial.

Interest on other obligations.

78. The total expenditure in 1916-17 is likely to exceed the Budget provision by R5·64 lakhs (£37,600). There will be a rise of R6·17 lakhs in the interest payable on the Savings Bank balance, owing mainly to the present anticipation of a net deposit of R96 lakhs into post office savings banks during the year instead of a net withdrawal of R1,00 lakhs as contemplated in the Budget ; but, on the other hand, a portion of the interest payable on certain special loans is not likely to be claimed during the current year. The Budget estimate for 1917-18 provides for an increase of R27·73 lakhs (£184,800) over the Revised for 1916-17. It is attributable (*i*) to an anticipated growth in the deposits in post office savings banks and in state provident funds and (*ii*) to interest creditable to the accounts in railway companies' provident funds which are to be taken over by Government from the 1st April 1917, as explained in paragraph 69 above. Against the latter payment, however, there will be an equivalent receipt of interest on the securities transferred from the funds to Government—*vide* same paragraph.

Revised, 1916-17.

Budget, 1917-18.

XIII AND 15—POSTS AND TELEGRAPHS.

—	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
REVENUE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Postage and Message Revenue . .	4,13,62,237	4,16,19,153	4,39,07,079	4,54,19,000	4,76,74,000	5,06,99,000
2. Commission on money orders .	61,03,161	60,88,658	63,44,831	64,30,000	67,00,000	70,00,000
3. Other Receipts .	40,24,174	43,39,142	44,54,226	43,20,000	46,70,000	43,25,000
TOTAL INDIA . R	5,14,89,572	5,20,46,953	5,47,06,136	5,61,69,000	5,90,44,000	6,25,24,000
TOTAL INDIA . £	3,432,638	3,469,797	3,647,076	3,744,600	3,936,300	4,168,300
ENGLAND .	...	30,000	...	20,000	43,000	...
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT .	3,432,638	3,499,797	3,647,076	3,764,600	3,979,300	4,168,300
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA.						
1. Message Revenue .	23,89,648	13,23,801	19,29,616	16,52,000	29,14,000	26,02,000
2. Other Receipts .	26,794	—14,201	—1,10,479	13,000	26,000	—1,91,000
TOTAL INDIA . R	24,16,442	13,09,600	18,19,137	16,65,000	29,40,000	24,11,000
TOTAL INDIA . £	161,096	87,306	121,276	111,000	196,000	160,700
ENGLAND.						
1. Message Revenue. £	4,583	7,220	10,077	1,000	1,200	2,000
2. Other Receipts £	202	2,650	9,049	300	200	14,700
TOTAL ENGLAND £	4,785	9,870	19,126	1,300	1,400	16,700
TOTAL INDO-EUROPEAN DEPARTMENT £	165,881	97,176	140,402	112,300	197,400	177,400
TOTAL REVENUE £	3,598,519	3,596,973	3,787,478	3,876,900	4,176,700	4,345,700
EXPENDITURE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Establishment charges . . .	3,13,69,557	3,19,24,561	3,22,63,206	3,29,18,000	3,28,48,000	3,38,75,000
2. Stationery and Printing . . .	12,48,848	13,38,126	15,42,336	14,76,000	16,30,000	16,34,000
3. Conveyance of mails	73,36,524	72,31,660	72,37,261	76,35,000	74,04,000	75,71,000
4. Maintenance of Telegraph Lines .	26,29,794	23,80,227	24,43,300	26,85,000	25,74,000	25,96,000
5. Capital outlay in connection with the Telegraph Service.	4,60,450	7,10,564	—5,47,706	4,82,000	—2,58,000	3,18,000
6. Miscellaneous .	9,61,428	8,70,621	10,58,228	9,68,000	10,69,000	10,80,000
TOTAL INDIA R .	4,40,06,601	4,44,55,759	4,39,96,625	4,61,64,000	4,52,67,000	4,70,74,000
Equivalent in Sterling £	2,933,774	2,963,717	2,933,108	3,077,600	3,017,800	3,138,300
ENGLAND.						
1. Contribution to Eastern mail subsidy £	54,588	54,588	42,713	47,100	59,900	45,800
2. Stores . . £	143,070	143,676	149,595	230,000	230,000	299,000
3. Other items . £	10,555	16,999	9,047	47,900	5,800	8,700
TOTAL ENGLAND . £	208,213	215,263	201,355	325,000	295,700	353,500
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT £	3,141,987	3,178,980	3,134,463	3,402,600	3,313,500	3,491,800
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA AND ENGLAND.						
1. Revenue charges . £	77,193	86,888	93,823	104,700	108,100	116,800
2. Capital outlay . £	23,157	13,241	6,732	86,200	160,700	30,500
3. Payments in respect of Revenue . £	30,647	—21,846	—85,338	—90,000	—26,700	—37,200
TOTAL INDO-EUROPEAN TELEGRAPH DEPARTMENT £	130,997	78,283	15,217	100,900	242,100	110,100
TOTAL EXPENDITURE . . £	3,272,984	3,257,263	3,149,680	3,503,500	3,555,600	3,601,900
NET REVENUE . £	325,535	339,710	637,798	373,400	621,100	743,800

REVENUE.

(*a*) *Indian Postal and Telegraph Department.*

79. The Revised estimate for 1916-17 exceeds the Budget by R32·20 lakhs (£214,700). An improvement of R28·75 lakhs is expected in India owing to the more satisfactory conditions of internal trade, R4 lakhs of the increase being due to the enhanced charges levied for ordinary inland telegrams from the 1st December 1916. There is also an increase of R3·45 lakhs in England in the receipts from the Home Government under the Morley award in connection with the Eastern Mail Service. *Revised, 1916-17.*

80. The Budget estimate for 1917-18 provides for a further advance of R34·80 lakhs in the collections in India, inclusive of R10 lakhs from the enhanced rates for ordinary inland telegrams mentioned in the preceding paragraph. On the other hand, no receipt is expected in England during the next year in connection with the Eastern Mail Service. *Budget, 1917-18.*

(*b*) *Indo-European Telegraph Department.*

81. The rise of R12·76 lakhs (£85,100) in the revenue in the current year as compared with the Budget estimate is due to the diversion of traffic from foreign lines to those of the Indo-European Telegraph Department in consequence of interruptions on the former, as well as to an increase in the traffic owing to the war. The Budget estimate for 1917-18 provides for a small decrease of R3·00 lakhs (£20,000) from the high receipts of the current year. *Revised, 1916-17.* *Budget, 1917-18.*

EXPENDITURE.

(*a*) *Indian Postal and Telegraph Department.*

82. The expenditure in 1916-17 is likely to fall short of the Budget grant by R13·37 lakhs (£89,100). The reduction is mainly due to heavy credits for the value of stores supplied to the Indian Expeditionary forces, and lapses in the provision for payments to the Marconi Company and for the installation of radio-offices ; partly counterbalanced by a larger outlay on stores, owing to a rise in prices and the transfer to the year 1916-17 of payments which were expected to be made in 1915-16, and on account of the Eastern mail subsidy due to certain adjustments arising out of the discontinuance of mail sorting at sea. *Revised, 1916-17.*

83. The Budget grant for 1917-18 exceeds the Revised estimate for the current year by R26·74 lakhs (£178,300). The credits on account of the value of stores supplied to other departments will be less by R4·50 lakhs in consequence of smaller supplies to the Indian Expeditionary Forces and an increased provision of R3·00 lakhs is necessary with reference to additions to the telegraph establishment sanctioned recently to cope with the expansion of traffic. The outlay in England will also be higher by R8·67 lakhs owing to a rise in the cost of stores and the restoration of the provision for radio-offices which has lapsed in the current year, partly set off by a reduction in the payment on account of the Eastern Mail subsidy in consequence of the omission of the adjustment mentioned in the preceding paragraph. Apart from these special items, the Budget estimate provides for sanctioned establishments and normal working expenses, together with a margin for the development of the operations of the department which are generally remunerative in character. *Budget, 1917-18.*

(*b*) *Indo-European Telegraph Department.*

84. The Revised estimate for 1916-17 exceeds the Budget by R21·18 lakhs (£141,200), the rise being mainly due to the construction of certain telegraph lines not contemplated in the Budget, the increased cost of stores, and a reduction in the net receipts in England in connection with the Joint Purse arrangement etc. The Budget estimate for 1917-18 is taken at R19·80 lakhs (£132,000) less than the Revised estimate for the current year, the decrease occurring almost entirely in the capital outlay on the construction of telegraph lines. Allowance has been made for a normal growth of R1·30 lakhs (£8,700) in the working expenses, but this will be more than covered by an improvement in the net receipts in England in connection with the Joint Purse arrangement, etc. *Revised, 1916-17.* *Budget, 1917-18.*

XV AND 17.—MINT.

		Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
REVENUE.							
INDIA.							
1. Percentage chargeable on coinage of new rupees		20,54,049	...	...	...	59,00,000	...
2. Profit on circulation of—							
(*a*) Nickel coins		19,61,839	9,54,164	14,01,818	10,00,000	28,00,000	20,00,000
(*b*) Bronze coins		7,60,047	...	...	...	...	...
3. Fees for coining dollars, etc.		75,417	...	136	...	2,95,000	4,000
4. Other items		2,45,302	88,301	1,26,348	94,000	3,74,000	83,000
TOTAL	R	50,96,654	10,42,465	15,28,302	10,94,000	93,69,000	20,87,000
	£	339,777	69,498	101,887	72,900	624,600	139,100
England	£	64	...	31	...	...	...
TOTAL	£	339,841	69,498	101,918	72,900	624,600	139,100
EXPENDITURE.							
INDIA.							
1. Establishment charges		8,36,509	6,85,293	6,40,920	7,25,000	9,84,000	7,26,000
2. Purchase of stores		2,37,642	99,913	82,662	1,44,000	3,76,000	1,79,000
3. Loss on bronze coinage		...	7,57,341	1,24,786	...	1,25,000	...
4. Loss on re-coining old silver coins		4,90,118	4,13,718	3,59,838	4,08,000	9,21,000	4,07,000
5. Other coinage losses		2,66,720	27,906	18,834	...		...
TOTAL	R	18,30,989	19,84,171	12,27,040	12,77,000	24,06,000	13,12,000
	£	122,066	132,278	81,803	85,200	160,400	87,500
England	£	10,564	9,404	7,570	5,100	12,100	21,100
TOTAL	£	132,630	141,682	89,373	90,300	172,500	108,600
TOTAL NET REVENUE	£	207,211	—72,184	12,545	—17,400	452,100	30,500

REVENUE.

Revised, 1916-17.

85. The Revised estimate for the current year exceeds the Budget by R82·75 lakhs. Of this increase R59 lakhs are contributed by the seigniorage on the coinage of rupees from purchased silver. An important increase of R18 lakhs is also expected in the profit on the circulation of nickel coins the demand for which has been stimulated by the activity of trade. The resumption of the coinage of new rupees will also result in an increase in the operative gains included under "Other items" in the above table, but this will be counterbalanced by an increase in the debits on account of operative losses. A receipt of R2·95 lakhs is also anticipated in respect of coinage executed for Egypt and the Straits Settlements.

Budget, 1917-18.

86. The Budget estimate for 1917-18 is taken at R72·82 lakhs less than the Revised estimate for 1916-17, the decrease being due to the omission from the estimates, following accepted practice, of provision for seigniorage on new coinage of rupees and to a moderate provision for profit on the circulation of nickel coins.

EXPENDITURE.

Revised, 1916-17.

87. Of the excess of R12·34 lakhs in the expenditure in the current year over the Budget estimate, R1·25 lakhs represents the loss on the circulation of copper and bronze coins which are returning from circulation. The balance of the increase is due to the heavy coinage of rupees from purchased silver.

Budget, 1917-18.

The Budget for 1917-18 provides for normal operations only.

18.—GENERAL ADMINISTRATION.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
INDIA.	£	£	£	£	£	£
Imperial.						
1. Cost of the Central Government:						
(i) Salary and expenses of the Governor-General .	11,28,036	10,55,920	10,22,202	10,68,000	10,30,000	10,19,000
(ii) Executive Council .	4,86,820	5,44,171	5,40,960	5,38,000	5,23,000	5,22,000
(iii) Legislative Council .	1,70,712	1,54,746	1,25,012	1,73,000	1,56,000	1,92,000
(iv) Charges of the Secretariats .	35,39,737	36,87,063	36,89,215	36,82,000	37,69,000	37,25,000
2. Offices of Account and Audit . . .	38,00,764	38,10,796	38,51,258	38,69,000	39,16,000	37,99,000
3. Currency Department and Reserve Treasury . . .	8,18,972	8,53,238	9,59,186	9,78,000	10,22,000	10,78,000
4. Payments to Presidency Banks for treasury and public debt work . .	3,74,081	3,82,870	3,95,461	3,94,000	4,57,000	4,09,000
5. Ajmer-Merwara Administration, etc. .	2,086	2,068	2,404	2,000	3,000	2,000
6. Delhi . . .	1,40,684	1,43,117	1,47,767	1,45 000	1,44,000	1,39,000
7. North-West Frontier Administration .	3,11,794	3,36,534	3,69,421	3,81,000	3,72,000	3,93,000
Total .	1,07,73,686	1,09,70,523	1,11,02,886	1,12,30,000	1,13,92,000	1,12,78,000
Provincial						
1. Madras . . .	14,26,839	15,22,569	15,50,732	15,35,000	15,49,000	15,96,000
2. Bombay . . .	19,37,196	21,15,164	20,49,821	20,70,000	20,70,000	21,04,000
3. Bengal . . .	24,29,759	24,18,157	23,88,887	24,36,000	24,53,000	25,70,000
4. United Provinces .	17,31,053	17,54,705	17,56,105	17,67,000	17,88,000	17,90,000
5. Punjab . . .	12,20,574	13,27,042	12,41,339	12,64,000	12,71,000	12,66,000
6. Burma . . .	15,16,202	15,72,207	15,87,066	16,03,000	16,66,000	15,99,000
7. Bihar and Orissa .	13,47,288	13,45,502	13,50,018	14,36,000	14,39,000	13,88,000
8. Central Provinces .	9,30,430	9,71,025	9,25,185	9,31,000	9,44,000	9,5[illegible],000
9. Assam . . .	5,83,597	6,06,828	6,12,443	6,24,000	6,04,000	6,11,000
Total .	1,31,22,938	1,36,33,199	1,34,61,596	1,36,66,000	1,37,84,000	1,38,74,000
TOTAL INDIA .	2,38,96,624	2,46,03,722	2,45,64,482	2,48,96,000	2,51,76,000	2,51,52,000
Equivalent in Sterling .	£ 1,593,108	£ 1,640,248	£ 1,637,632	£ 1,659,700	£ 1,678,400	£ 1,676,800
ENGLAND.						
1. Cost of the Secretary of State's establishment, etc. . .	269,232	268,486	2,80,424	283,700	299,300	300,100
2. Stores, etc., for India.	121,307	139,504	50,682	67,500	103,700	80,000
TOTAL £	390,539	407,990	331,106	351,200	403,000	380,100
GRAND TOTAL £	1,983,647	2,048,238	1,968,738	2,010,900	2,081,400	2,056,900

(*a*) *India—Imperial.*

Revised, 1916-17.

88. The expenditure in 1916-17 is likely to exceed the Budget grant by R1·62 lakhs. The increase is due to (*a*) a rise in the charges of the secretariats (R·87 lakh) owing to a large number of leave vacancies in several departments, (*b*) a payment of R·50 lakh to the Bank of Bengal for work in connection with the conversion loan of 1916-17, and (*c*) an excess in the charges of the civil account and currency departments (R·91 lakh) owing to the cost of advertising the conversion loan and a larger employment of temporary establishments in currency offices. Minor savings are expected, on the other hand, in the grant for tour expenses of the Governor General and under some other items. The Budget estimate for 1917-18 provides generally for sanctioned establishments and normal charges and includes a lump grant of R·48 lakh for revision of currency establishments in Calcutta and Bombay owing to an expansion in the note circulation. The decrease of R1·14 lakhs as compared with the Revised estimate for the current year is mainly due to the omission of the special charges relating to the conversion loan, separate provision for the expenditure connected with the Indian war loan having been included under the head "Interest on Debt."

Budget, 1917-18.

(*b*) *Provincial.*

Revised, 1916-17.

89. The total Revised for 1916-17 will exceed the Budget grant by R1·18 lakhs. The increase occurs in all the provinces except Assam and Bombay and is due mainly to the employment of officers on special duty in the secretariats for work connected with the war. A small saving of R·20 lakh is expected in Assam owing to an anticipated recovery from the Home Government of the cost of river craft commandeered for service in Mesopotamia.

Budget, 1917-18.

90. The total Budget estimate for 1917-18 is R·90 lakh more than the Revised for the current year. Increases of R1·17 lakhs and R·47 lakh respectively are expected in Bengal and Madras in connection with the impending change in the appointment of Governor and there will be a nominal excess of R·34 lakh in Bombay owing to a change in the classification of certain charges. On the other hand, the Budget estimate provides for a reduction of R·67 lakh in Burma and R·51 lakh in Bihar and Orissa due to smaller outlay on furniture and on officers on special duty and the omission in the latter province of a special arrear payment included in the Revised for the current year.

(*c*) *England.*

Revised, 1916-17.

91. The Revised estimate for 1916-17 exceeds the Budget by £51,800. There is an increase of £15,600 in the charges of the Home establishment due to the exigencies of the war and the cost of stores supplied to India will be exceeded by £36,200 owing to a larger demand for currency notes and a rise in the price of paper. The Budget estimate for 1917-18 is less than the Revised for the current year by £22,900, owing mainly to a normal provision for outlay on stores.

Budget, 1917-18.

XVI-A and 19-A.—LAW AND JUSTICE—COURTS OF LAW.

EXPENDITURE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General . .	3,29,821	3,66,885	3,66,693	3,71,000	3,46,000	3,51,000
2. Delhi . . .	1,61,864	2,42,989	1,63,893	1,64,000	1,60,000	1,46,000
3. Baluchistan . .	19,834	22,517	27,479	24,000	24,000	25,000
4. North-West Frontier	6,19,800	6,49,779	6,41,577	6,45,000	6,73,000	7,02,000
Total .	11,31,319	12,82,170	11,99,642	12,04,000	12,03,000	12,24,000
Provincial.						
1. Madras . . .	69,67,819	82,64,186	84,47,568	85,29,000	85,65,000	86,15,000
2. Bombay . . .	56,35,537	57,76,860	57,75,879	57,55,000	56,58,000	57,73,000
3. Bengal . . .	1,00,37,547	1,03,78,200	1,03,11,110	1,00,20,000	99,38,000	1,01,57,000
4. United Provinces .	63,90,754	66,82,719	69,97,430	68,88,000	68,17,000	68,18,000
5. Punjab . . .	42,55,055	46,02,900	47,44,398	46,56,000	45,27,000	46,74,000
6. Burma . . .	48,81,629	50,21,931	50,76,796	50,41,000	51,17,000	50,88,000
7. Bihar and Orissa .	32,98,531	35,30,823	38,22,402	42,23,000	41,49,000	42,20,000
8. Central Provinces .	27,86,972	28,17,148	28,83,014	29,76,000	28,44,000	30,72,000
9. Assam . . .	9,33,847	10,14,742	10,35,202	10,39,000	10,35,000	10,53,000
Total .	4,51,88,691	4,80,89,509	4,90,93,799	4,91,27,000	4,86,50,000	4,94,70,000
TOTAL INDIA . R	4,63,20,010	4,93,71,679	5,02,93,441	5,03,31,000	4,98,53,000	5,06,94,000
Equivalent in Sterling £	3,088,001	3,291,445	3,352,896	3,355,400	3,323,500	3,379,600
England . . . £	159	809	1,042	700	900	1,000
TOTAL £	3,088,160	3,292,254	3,353,938	3,356,100	3,324,400	3,380,600

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General . .	95,487	3,17,242	2,81,439	1,52,000	1,62,000	1,48,000
2. Delhi . . .	20,624	17,849	22,944	22,000	29,000	23,000
3. Baluchistan . .	27,413	24,532	38,128	25,000	43,000	38,000
4. North-West Frontier	1,44,782	1,43,825	1,74,293	1,50,000	2,27,000	2,30,000
Total .	2,88,306	5,03,448	5,16,804	3,49,000	4,61,000	4,39,000
Provincial.						
1. Madras . . .	10,94,576	11,44,480	12,00,387	12,05,000	11,51,000	11,48,000
2. Bombay . . .	7,80,626	8,43,009	8,66,659	8,20,000	8,35,000	8,70,000
3. Bengal . . .	8,42,811	8,60,139	8,43,999	8,30,000	8,84,000	8,82,000
4. United Provinces .	6,77,355	7,86,719	8,53,721	8,66,000	8,64,000	8,73,000
5. Punjab . . .	5,54,353	5,87,921	5,67,763	5,28,000	6,90,000	7,00,000
6. Burma . . .	6,84,281	6,51,323	6,33,412	6,40,000	6,36,000	6,57,000
7. Bihar and Orissa .	2,69,601	2,96,004	3,50,679	3,51,000	3,03,000	3,13,000
8. Central Provinces .	2,89,281	2,58,662	2,43,774	2,41,000	2,70,000	2,70,000
9. Assam . . .	1,25,675	1,36,317	1,25,971	1,40,000	1,40,000	1,40,000
Total .	53,18,559	55,65,074	56,36,365	56,21,000	57,73,000	58,53,000
TOTAL R	56,06,865	60,68,522	62,03,169	59,70,000	62,34,000	62,92,000
Equivalent in Sterling £	373,791	404,568	413,545	398,000	415,600	419,500

EXPENDITURE.

(*a*) *Imperial.*

92. The figures show little variation.

(*b*) *Provincial.*

Revised, 1916-17.

93. The Revised estimate for 1916-17 falls short of the Budget by R4·77 lakhs. The saving occurs in all the provinces except Burma and Madras, a general factor which has contributed to it being the deputation of officers to military duty. Among other causes of the decrease in expenditure may be mentioned (1) the stoppage of grain compensation allowance in the Punjab from the 1st July 1916 (R·51 lakh), and (2) savings in the grants for pleaders' fees in criminal cases and other minor items in Bombay and Bengal (R·97 lakh and R1·84 lakhs); partly counterbalanced in the latter province by the payment of grain compensation allowance (R1·02 lakhs), provision for which was made in the estimates under the head "32 Miscellaneous". On the other hand, an excess of R·76 lakh is expected in Burma owing to charges connected with the Mandalay conspiracy case and leave arrangements, while there will be a petty increase in Madras due to unimportant causes. The total

Budget, 1917-18.

Budget for 1917-18 is R8·20 lakhs more than the Revised estimate for 1916-17. Provision has been generally made for the normal charges of sanctioned establishments. Lump allotments have, in addition, been included for the introduction of a new judicial scheme and for reorganization of ministerial establishments in the Central Provinces (R1·35 lakhs), for an additional Legal Remembrancer and his staff in Bengal (R·75 lakh), for additional temporary courts in Bombay (R1·02 lakhs) and for an additional Judge in the Chief Court in Burma (R·44 lakh). Provision has also been made for larger outlay on pleaders' fees and in connection with the Defence of India Act cases in Bengal and for the grant of grain compensation allowance during the whole year in the Punjab.

REVENUE.

(*a*) *Imperial.*

Revised, 1916-17.

94. The Revised estimate for 1916-17 exceeds the Budget by R1·12 lakhs. The increase occurs mainly in the receipts from fines in the North-West Frontier Province. The Budget estimate for 1917-18 closely follows the Revised for the current year.

Budget, 1917-18.

(*b*) *Provincial.*

Revised, 1916-17.

95. The total revenue in the current year is likely to exceed the Budget estimate by R1·52 lakhs. The improvement occurs in magisterial fines in several provinces but mainly in the Punjab and is partly counterbalanced by a decrease in Madras (R·54 lakh) owing to a reduction in the scale of printing fees levied for copies of judgments supplied to parties. The Budget for 1917-18 provides for normal receipts in all the provinces.

Budget, 1917-18.

XVI-B and 19-B.—LAW AND JUSTICE—JAILS.

EXPENDITURE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General	16,67,987	17,73,473	18,26,014	18,97,000	20,72,000	21,57,000
2. Delhi	64,366	74,135	81,739	71,000	82,000	82,000
3. Baluchistan	34,001	30,498	38,170	33,000	38,000	45,000
4. North-West Frontier	2,09,693	2,13,234	2,52,648	2,74,000	3,02,000	3,03,000
TOTAL	19,76,047	20,91,340	21,98,571	22,75,000	24,94,000	25,87,000
Provincial.						
1. Madras	14,92,324	15,43,300	15,27,715	15,32,000	15,98,000	15,48,000
2. Bombay	12,76,989	12,82,660	12,85,300	12,91,000	13,51,000	13,35,000
3. Bengal	22,62,882	23,50,828	25,06,617	25,50,000	28,60,000	28,89,000
4. United Provinces	20,59,519	23,13,033	23,84,085	24,14,000	23,00,000	24,15,000
5. Punjab	14,27,260	15,86,118	17,93,754	18,28,000	18,46,000	19,46,000
6. Burma	18,32,603	15,77,416	15,31,723	15,62,000	15,78,000	16,24,000
7. Bihar and Orissa	14,54,178	14,80,168	14,21,469	15,35,000	14,71,000	15,13,000
8. Central Provinces	6,80,139	7,51,965	6,56,887	6,73,000	6,75,000	6,77,000
9. Assam	2,72,251	2,94,557	3,29,022	3,26,000	3,26,000	3,47,000
TOTAL	1,27,65,145	1,31,80,045	1,34,36,572	1,37,11,000	1,40,05,000	1,42,94,000
TOTAL INDIA R	1,47,41,192	1,52,71,385	1,56,35,143	1,59,86,000	1,64,99,000	1,68,81,000
Equivalent in Sterling £	982,746	1,018,093	1,042,343	1,065,700	1,099,900	1,125,400
England £	157	450	177	...	...	...
TOTAL £	982,903	1,018,543	1,042,520	1,065,700	1,099,900	1,125,400

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General	4,03,586	3,70,057	4,66,352	3,85,000	6,32,000	6,33,000
2. Delhi	31,555	33,457	33,164	32,000	32,000	32,000
3. Baluchistan	829	552	858	1,000	1,000	1,000
4. North-West Frontier	32,562	37,074	42,008	45,000	46,000	46,000
TOTAL	4,68,532	4,41,140	5,42,382	4,63,000	7,11,000	7,12,000
Provincial.						
1. Madras	5,44,928	6,25,005	5,10,531	5,66,000	5,65,000	5,65,000
2. Bombay	2,82,232	2,85,042	3,11,796	3,00,000	2,85,000	2,75,000
3. Bengal	6,71,947	8,34,256	9,09,148	8,02,000	10,51,000	11,02,000
4. United Provinces	3,73,035	3,63,038	3,52,443	3,63,000	3,68,000	3,82,000
5. Punjab	3,93,642	4,08,394	4,44,191	4,00,000	4,39,000	4,38,000
6. Burma	4,93,229	4,19,784	4,36,989	4,33,000	4,36,000	4,10,000
7. Bihar and Orissa	7,26,397	7,03,179	6,82,564	7,17,000	7,25,000	7,42,000
8. Central Provinces	2,81,162	2,77,557	2,17,291	2,40,000	2,70,000	2,70,000
9. Assam	91,622	90,310	81,047	93,000	92,000	98,000
TOTAL	38,58,194	40,06,865	39,46,000	39,14,000	42,81,000	42,62,000
TOTAL R	43,26,726	44,48,005	44,88,382	43,77,000	49,92,000	49,74,000
Equivalent in Sterling £	288,448	296,534	299,225	291,800	332,800	331,600

EXPENDITURE.

(a) *Imperial.*

Revised, 1916-17. 96. The expenditure in the current year will exceed the Budget grant by R2·19 lakhs. There will be an expenditure of R4·00 lakhs in connection with the S S. "Maharaja," an impressed vessel which has been placed under the management of the Superintendent, Port Blair. Part of the increase will, however, be met from a lapse in the grant for outlay on commissariat supplies.

Budget, 1917-18. The Budget estimate for 1917-18 is taken at R·93 lakh higher than the Revised for the current year, the increase being mainly due to provision for a full year's charges of the S. S. "Maharaja."

(b) *Provincial.*

Revised, 1916-17. 97. The total expenditure in 1916-17 is likely to exceed the Budget grant by R2·94 lakhs. The bulk of the excess (R2·08 lakhs) will occur in the purchase of raw materials, mainly in Bengal (R1·74 lakhs) and Madras (R·66 lakh), for the execution of heavy orders from the Military and other departments for jail-made articles. There will also be a rise of R·86 lakh in the ordinary charges of jails, mainly in Bengal (R1·36 lakhs) owing to an increase in the jail population, and in Bombay (R·70 lakh) owing to the establishment of a criminal settlement and a jail for juvenile prisoners. On the other hand, a reduction of R·88 lakh is anticipated in the United Provinces due to a fall in prices and in the jail population, and there will be smaller variations in the other provinces.

Budget, 1917-18. 98. The Budget for 1917-18 exceeds the Revised of the current year by R2·89 lakhs. The grant is generally based on the sanctioned scales of establishment, the probable jail population and the probable outlay on raw materials with reference to supplies likely to be required by the Military and other departments.

REVENUE.

(a) *Imperial.*

Revised, 1916-17. 99. The excess of R2·48 lakhs in the Revised estimate for the current year as compared with the Budget is due to the receipts from the S. S. "Maharaja" and to increased supplies of jail manufactures from Port Blair to the Military authorities.

Budget, 1917-18. The Budget estimate for 1917-18 closely follows the Revised for 1916-17.

(b) *Provincial.*

Revised, 1916-17. 100. The increase of R3·67 lakhs in the revenue in the current year over the Budget estimate is mainly due to heavy supplies of jail-made articles to the Military and Police departments in Bengal, the Punjab and the Central Provinces.

Budget, 1917-18. The Budget estimate for 1917-18 is based on present information in regard to demands for jail-made articles from other departments.

XVII AND 20.—POLICE.

EXPENDITURE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General .	10,37,218	11,52,094	12,34,883	12,74,000	12,45,000	14,25,000
2. Delhi . . .	3,92,675	4,29,842	4,04,580	4,14,000	3,91,000	4,13,000
3. Baluchistan . .	5,11,605	5,84,734	5,90,234	6,08,000	6,01,000	6,27,000
4. North-West Frontier	17,05,508	18,05,391	19,32,256	21,71,000	22,11,000	24,99,000
Total .	36,47,006	39,72,061	41,61,953	44,67,000	44,48,000	49,64,000
Provincial.						
1. Madras . . .	92,47,539	1,09,30,808	1,10,09,898	1,16,71,000	1,14,69,000	1,17,47,000
2. Bombay . . .	1,00,57,735	1,04,25,121	1,05,79,762	1,10,09,000	1,06,89,000	1,12,49,000
3. Bengal . . .	94,71,081	1,03,72,545	1,09,03,783	1,11,12,000	1,12,27,000	1,34,38,000
4. United Provinces .	1,11,39,477	1,25,99,303	1,28,01,703	1,26,07,000	1,25,21,000	1,27,78,000
5. Punjab . . .	58,93,463	62,48,665	64,25,524	70,11,000	65,31,000	70,14,000
6. Burma . . .	1,31,18,008	1,34,74,754	1,37,05,639	1,39,99,000	1,36,63,000	1,38,04,000
7. Bihar and Orissa .	45,76,942	47,22,728	47,55,942	47,83,000	47,21,000	48,67,000
8. Central Provinces .	34,11,226	34,60,413	35,88,952	37,00,000	34,82,000	36,87,000
9. Assam . . .	23,87,928	23,30,651	23,65,730	25,33,000	23,92,000	23,99,000
Total .	6,93,03,399	7,45,64,988	7,61,36,933	7,84,25,000	7,69,95,000	8,09,83,000
TOTAL INDIA . ₹	7,29,50,405	7,85,37,049	8,02,98,886	8,28,92,000	8,14,43,000	8,59,47,000
Equivalent in Sterling £	4,863,360	5,235,803	5,353,259	5,526,100	5,429,500	5,729,800
England . . £	1,630	1,205	356	200	100	100
TOTAL . £	4,864,990	5,237,008	5,353,615	5,526,300	5,429,600	5,729,900

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General . .	18,562	21,267	23,617	18,000	24,000	21,000
2. Delhi . . .	4,432	5,007	5,967	5,000	6,000	6,000
3. Baluchistan . .	14,865	18,714	20,710	18,000	24,000	23,000
4. North-West Frontier .	20,782	33,308	32,279	49,000	30,000	23,000
Total .	58,641	78,296	82,573	90,000	84,000	73,000
Provincial.						
1. Madras . . .	4,88,562	4,94,132	5,06,454	5,07,000	5,12,000	5,12,000
2. Bombay . . .	2,89,014	2,59,452	3,02,072	2,98,000	3,57,000	3,37,000
3. Bengal . . .	1,56,684	1,77,419	1,90,866	1,67,000	1,75,000	1,71,000
4. United Provinces .	1,01,626	79,991	1,01,839	1,07,000	95,000	90,000
5. Punjab . . .	2,03,666	1,72,730	1,98,940	2,82,000	2,58,000	2,18,000
6. Burma . . .	4,61,975	6,44,811	5,79,894	5,66,000	5,50,000	4,50,000
7. Bihar and Orissa .	46,517	39,897	30,068	35,000	42,000	58,000
8. Central Provinces .	26,002	23,907	26,452	29,000	46,000	46,000
9. Assam . . .	1,22,398	1,48,580	1,22,825	1,28,000	1,89,000	89,000
Total .	18,96,444	20,40,919	20,65,410	21,19,000	22,24,000	19,71,000
TOTAL . ₹	19,55,085	21,19,215	21,47,983	22,09,000	23,08,000	20,44,000
Equivalent in Sterling £	130,339	141,281	143,199	147,300	153,800	136,300

EXPENDITURE.

(a) *Imperial (including outlay in England).*

Revised, 1916-17.

101. The Revised estimate for 1916-17 is less than the Budget by R·20 lakh. There is an excess of R·40 lakh in the North-West Frontier Province owing to the entertainment of additional forces, but it will be more than set off by a saving in other provinces, due chiefly to temporary vacancies in the executive force.

Budget, 1917-18.

102. The Budget estimate for 1917-18 exceeds the Revised for the current year by R5·16 lakhs. Provision has been made for the whole year for the additional forces in the North-West Frontier Province, as well as for the cost of certain concessions which it is proposed to grant to the frontier constabulary in the same province and for a contemplated reorganisation of the police in Bangalore.

(b) *Provincial.*

Revised, 1916-17.

103. The expenditure in the current year is expected to fall short of the Budget grant by R14·30 lakhs. A saving occurs in all the provinces except Bengal. One general cause of the decrease in almost all the provinces is the non-filling up of vacancies in the executive forces. A portion of the savings is also due to (1) the discontinuance of grain compensation allowance in the Punjab from the 1st July 1916, and the entertainment of a smaller temporary establishment than contemplated in the Budget owing to the improved political situation in the province (R4·80 lakhs); (2) the temporary closure of the police training school in Bombay (R·75 lakh); (3) lapses in the lump grants for reorganisation of the police forces in Madras (R1·70 lakhs) and the Central Provinces (R·50 lakh), and (4) the gradual abolition of road chowkidars in the United Provinces. In Bengal alone, an increase of R1·15 lakhs is expected owing to the grant of grain compensation allowance, provision for which was included under the head "32—Miscellaneous" in the Budget estimate. There will also be a larger outlay of R1 lakh in the United Provinces on account of higher rates of pay sanctioned for constables and head constables, but there will be a nearly equivalent saving in the grants for clothing and other expenditure.

Budget, 1917-18.

104. The Budget estimate for 1917-18 is taken at R39·88 lakhs more than the Revised for the current year. Provision for the full cost of sanctioned establishments and of the various schemes already introduced has been made in all the provinces. A considerable increase of R22·11 lakhs is anticipated in Bengal owing to the inclusion of provision for various urgent schemes for the improvement of the police administration. Allotments for urgent improvements have also been made in the other provinces, including in the Punjab a scheme for the reclamation of criminal tribes (R1·80 lakhs). In Burma alone, the estimates provide for a decrease of expenditure, owing to a reduction in the strength of temporary establishments in certain districts and of the mounted force, and a smaller grant for petty construction.

REVENUE.

(a) *Imperial.*

105. The figures show little variation.

(b) *Provincial.*

Revised, 1916-17.

106. The Revised estimate for 1916-17 exceeds the Budget by R1·05 lakhs. The increase occurs mainly in Bombay (R·59 lakh) owing to certain arrear recoveries from the Bombay Port Trust, and in Assam (R·61 lakh) owing to the recovery from the Home Government of the cost of river craft commandeered for service in Mesopotamia.

Budget, 1917-18.

The Budget estimate for 1917-18 falls short of the Revised of the current year by R2·53 lakhs. The decrease is due mainly to smaller recoveries for punitive police in Burma and the Punjab (R1·40 lakhs) and the omission of the special credit in Assam included in the Revised.

XVIII AND 21.—PORTS AND PILOTAGE.

EXPENDITURE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Provincial.						
1. Madras	45,677	36,552	47,020	40,000	42,000	47,000
2. Bombay	1,81,310	1,74,032	1,86,008	1,43,000	1,43,000	1,14,000
3. Bengal	14,28,377	13,78,205	13,73,063	13,30,000	11,68,000	12,15,000
4. Burma	13,49,167	14,79,283	14,86,303	14,37,000	16,15,000	14,84,000
5. Bihar and Orissa	957	1,029	5,114	7,000	6,000	7,000
6. Assam	60,902	60,729	61,620	55,000	60,000	62,000
Total India	30,66,390	31,29,830	31,59,128	30,12,000	30,34,000	29,29,000
Equivalent in Sterling £	204,426	208,655	210,609	200,800	202,300	195,300
England £	200	1	...	...	...	...
TOTAL £	204,626	208,656	210,609	200,800	202,300	195,300

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Provincial.						
1. Madras	86	68	69	...	2,000	...
2. Bombay	1,08,524	1,29,876	1,31,976	1,49,000	1,57,000	1,57,000
3. Bengal	16,76,604	15,52,988	13,49,562	14,25,000	12,05,000	11,81,000
4. Burma	5,18,919	4,21,961	3,99,267	4,21,000	4,31,000	4,24,000
5. Bihar and Orissa	...	70	...	...	...	...
6. Assam	...	112	38	...	...	...
TOTAL R	23,04,133	21,05,075	18,80,912	19,95,000	17,95,000	17,62,000
Equivalent in Sterling £	153,609	140,339	125,394	133,000	119,700	117,500

EXPENDITURE.

Revised, 1916-17.

107. The total Revised estimate for 1916-17 does not differ materially from the Budget. A decrease of R1·62 lakhs in Bengal due mainly to a reduction in the charges of pilot establishments as a result of the present trade conditions is more than counterbalanced by an increase of R1·78 lakhs in Burma due to a larger outlay on stores owing to a rise in prices and to the higher cost of maintenance of light houses and light ships.

Budget, 1917-18.

The Budget estimate for 1917-18 provides for normal expenditure and is taken at R1·05 lakhs less than the Revised for the current year.

REVENUE.

Revised, 1916-17.

108. The falling off of R2 lakhs in the revenue in 1916-17 as compared with the Budget estimate is chiefly due to the unfavourable conditions of sea-borne trade.

Budget, 1917-18.

The Budget estimate for 1917-18 does not differ materially from the Revised for the current year.

XIX AND 22.—EDUCATION.

EXPENDITURE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India, General .	9,15,504	9,25,293	7,03,183	9,65,000	7,64,000	10,39,000
2. Delhi . . .	1,42,855	2,34,513	1,92,315	1,72,000	1,90,000	2,07,000
3. Baluchistan . .	1,06,852	81,011	91,031	1,08,000	97,000	1,16,000
4. North-West Frontier	4,87,539	5,02,767	5,27,345	5,44,000	5,33,000	6,31,000
Total .	16,52,750	17,43,584	15,13,874	17,89,000	15,84,000	20,43,000
Provincial.						
1. Madras . . .	79,51,125	78,31,353	76,96,650	80,87,000	83,45,000	94,70,000
2. Bombay . .	72,75,648	83,03,180	75,29,863	77,54,000	76,84,000	85,89,000
3. Bengal . . .	81,12,515	92,07,022	84,83,414	88,30,000	82,18,000	98,13,000
4. United Provinces .	78,58,337	70,23,430	60,78,311	64,54,000	62,70,000	68,80,000
5. Punjab . . .	44,69,352	42,20,202	44,10,192	42,76,000	42,53,000	46,32,000
6. Burma . . .	29,23,909	31,67,165	30,44,813	31,32,000	30,80,000	37,59,000
7. Bihar and Orissa .	38,34,826	36,87,752	35,73,507	37,22,000	37,31,000	41,50,000
8. Central Provinces .	22,02,034	26,95,062	27,85,989	32,83,000	29,22,000	32,71,000
9. Assam . . .	12,15,892	15,98,655	14,13,758	15,18,000	14,48,000	15,85,000
Total .	4,58,43,638	4,77,33,821	4,50,16,497	4,70,56,000	4,59,51,000	5,21,58,000
TOTAL INDIA ₹	4,74,96,388	4,94,77,405	4,65,30,371	4,88,45,000	4,75,35,000	5,42,01,000
Equivalent in Sterling £	3,166,426	3,298,494	3,102,025	3,256,400	3,169,000	3,613,400
England . . £	10,383	10,320	9,102	10,200	10,000	10,000
TOTAL .	3,176,809	3,308,814	3,111,127	3,266,600	3,179,000	3,623,400

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India, General .	38,175	41,371	50,614	44,000	43,000	45,000
2. Delhi . . .	18,450	15,158	15,681	14,000	16,000	15,000
3. Baluchistan . .	17,996	18,070	18,089	19,000	18,000	18,000
4. North-West Frontier	13,173	24,800	26,796	24,000	1,52,000	24,000
TOTAL .	87,794	99,399	1,11,780	1,01,000	2,29,000	1,02,000
Provincial.						
1. Madras . . .	3,11,011	3,23,120	3,09,763	3,14,000	3,51,000	4,26,000
2. Bombay . .	5,52,899	6,00,079	7,94,273	6,09,000	6,00,000	6,28,000
3. Bengal . . .	8,10,953	8,47,110	8,86,574	9,05,000	9,32,000	9,28,000
4. United Provinces .	6,08,851	6,09,306	6,47,761	6,10,000	6,45,000	7,15,000
5. Punjab . . .	4,49,433	4,77,429	4,91,073	5,05,000	5,11,000	5,24,000
6. Burma . . .	2,89,331	3,53,679	3,65,991	3,84,000	3,66,000	3,94,000
7. Bihar and Orissa .	2,69,993	2,99,643	3,70,930	3,67,000	3,70,000	3,90,000
8. Central Provinces .	2,02,667	2,14,529	2,60,617	2,55,000	2,76,000	2,75,000
9. Assam . . .	1,34,639	1,69,456	1,86,780	1,84,000	2,09,000	2,08,000
TOTAL .	36,30,777	38,94,351	43,13,762	41,33,000	42,60,000	44,78,000
TOTAL INDIA ₹	37,18,571	39,93,750	44,25,542	42,34,000	44,89,000	45,80,000
Equivalent in Sterling £	247,905	266,250	295,036	282,300	299,300	305,300

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

Revised, 1916-17.

109. The Revised estimate for 1916-17 is less than the Budget by R2·08 lakhs. The latter included a reserve provision of R1·81 lakhs, from which, as stated below, R1 lakh has been allotted to the Government of the United Provinces as a contribution towards the cost of acquisition of land for the Hindu University, while R·25 lakh has been applied to expenditure on the Ajmer High School buildings which is recorded under "45-Civil Works." The bulk of the decrease in expenditure is thus nominal and the balance is due to petty lapses in ordinary grants.

110. The reserve of R1·81 lakhs provided in the Budget for 1916-17 out of the recurring appropriation of R124 lakhs made from Imperial revenues up to the end of the current year for the improvement of education will be utilised as shown below :—

	Lakhs of Rupees.
(*i*) Assigned to the United Provinces for a non-recurring grant to the Hindu University	1·00
(*ii*) Allotted for recurring expenditure in minor administrations	·05
(*iii*) Allotted for non-recurring expenditure in minor administrations, etc.	·76
TOTAL	1·81

Budget, 1917-18.

111. The Budget estimate for 1917-18 exceeds the Revised for the current year by R4·59 lakhs, the increase being mainly due to provision for grants to certain schools in the North-West Frontier Province and Bangalore; for expenditure in minor administrations from the fresh Imperial grant for educational development referred to below; and a reserve of R2·90 lakhs.

Of the special appropriation of R124 lakhs mentioned in paragraph 110, R120·24 lakhs have already been distributed among the various provinces, etc., to meet recurring expenditure. The balance of R3·76 lakhs has been allotted as follows in the Budget estimate of the ensuing year :—

	Lakhs of Rupees.
(*i*) Assigned to Provincial Governments for non-recurring expenditure	1·44
(*ii*) Allotted to minor administrations	·17
(*iii*) Reserve	2·15
TOTAL	3·76

It has been decided to make a further recurring appropriation from Imperial revenues of R30 lakhs from the year 1917-18 for expenditure on the improvement of the pay and training of teachers. This amount has been allotted as follows :—

	Lakhs of Rupees.
(*i*) Assigned to Provincial Governments	28·60
(*ii*) Assigned to minor administrations	·65
(*iii*) Reserve	·75
	30·00

(*b*) *Provincial.*

Revised, 1916-17.

112. The total expenditure in 1916-17 is expected to be R11·05 lakhs less than the Budget estimate. The latter included special allotments under this head, aggregating about R113 lakhs, from the recurring and non-recurring assignments made from Imperial revenues in recent years for the development and improvement of education. These allotments are expected to be utilised in full, R106 lakhs of the expenditure being recorded under Education, and the balance under Civil Works. Under the former head, there is thus a decrease of R7 lakhs, as compared with the Budget provision, in the outlay from special Imperial grants; and the expenditure from other Provincial

resources will accordingly fall short of the corresponding Budget provision by about ₹4 lakhs only. This decrease is chiefly due to lapses in ordinary grants in Bengal and the Central Provinces partly counterbalanced by increases in Madras and Bombay.

Budget, 1917-18.

113. The Budget estimate for 1917-18 exceeds the Revised for the current year by ₹62·07 lakhs, of which ₹28·60 lakhs represent expenditure from the fresh appropriation of ₹30 lakhs for the improvement of the pay and training of teachers. The expenditure in 1917-18 from the previous Imperial assignments will be about ₹3 lakhs more than in 1916-17, the provision made in the Budget under Education amounting to ₹109 lakhs against a probable outlay of ₹106 lakhs in the current year. The provision in the Budget for 1917-18 for expenditure from ordinary Provincial resources is thus about ₹30 lakhs more than in the Revised of the current year. The increase is distributed over all the provinces and provision has generally been made for an expansion of the expenditure on education in various directions, chiefly by grants to schools.

114. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants given from Imperial revenues in recent years. To simplify the position, it has been assumed that the whole of the recurring grants for any year are fully utilised before any expenditure is debited against the non-recurring grants.

[In lakhs of Rupees.]

Province.	Grants to end of 1917-18.	Expenditure.					Unspent balance on 31st March 1918.
		To end of 1915-16.	In 1916-17 (Revised) recorded under		In 1917-18 (Budget) recorded under		
			Education.	Other heads.	Education.	Other heads.	
1. Madras	64·44	47·60	1·49	1·71	1·26	·13	12·25
2. Bombay	57·78	17·27	·11	·37	1·33	...	38·70
3. Bengal	1,47.56	54·12	—5·09	...	—4·21	...	1,02·74
4. United Provinces	66·69	42·14	...	1·96	...	1·12	21·47
5. Punjab	39·69	39·39	·30	...	...	...	...
6. Burma	33·75	13·37	—·50	...	...	10·00	10·88
7. Bihar and Orissa	41·37	14·88	—·86	...	—2·36	...	29·71
8. Central Provinces	23·40	16·69	2·53	·38	·10	·19	3·51
9. Assam	15·70	11·31	...	·33	—·23	...	4·29
Total	4,90·38	2,56·77	—2·02	4·75	—4·11	11·44	2,23·55

Owing to the need for economy, no material progress with the spending of these grants is likely to be made in the ensuing year. As stated above, however, a substantial provision is being made for further expenditure from ordinary Provincial resources during the next year. The *minus* figures against some of the provinces indicate that it will not be possible to utilise fully the recurring grants from Imperial revenues for educational expenditure.

REVENUE.

(*a*) *Imperial.*

Revised, 1916-17.

115. The Revised estimate for 1916-17 exceeds the Budget by ₹1·28 lakhs, owing to a refund by the Peshawar Municipality of a grant made to it for the construction of a training college.

Budget, 1917-18.

The Budget estimate for 1917-18 provides for normal receipts.

(*b*) *Provincial.*

Revised, 1916-17.

116. The increase of ₹1·27 lakhs in the Revised estimate over the Budget for the current year is due to higher fee income and certain special receipts in several provinces.

Budget, 1917-18.

The Budget estimate for 1917-18 provides for further growth in receipts.

23.—ECCLESIASTICAL.

EXPENDITURE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
Imperial.						
1. India General .	1,72,059	1,84,119	1,72,073	1,95,000	1,69,000	1,76,000
2. Delhi . . .	12,691	16,083	17,890	20,000	14,000	18,000
3. Baluchistan . .	22,456	21,772	25,075	28,000	26,000	27,000
4. North-West Frontier	43,012	43,958	52,088	54,000	52,000	57,000
5. Madras . .	3,27,854	3,23,132	3,50,120	3,52,000	3,37,000	3,66,000
6. Bombay . .	3,42,065	3,22,831	3,17,201	3,33,000	3,70,000	4,64,000
7. Bengal . . .	1,84,515	1,90,758	1,89,362	2,00,000	1,72,000	1,78,000
8. United Provinces .	2,71,749	2,59,009	2,87,932	2,89,000	2,57,000	2,65,000
9. Punjab . .	2,44,884	2,46,590	2,61,357	2,60,000	2,49,000	2,60,000
10. Burma . . .	1,44,884	1,43,624	1,41,366	1,44,000	1,41,000	1,47,000
11. Bihar and Orissa .	32,243	33,102	34,893	40,000	36,000	40,000
12. Central Provinces .	98,280	97,927	91,913	1,03,000	1,12,000	1,13,000
13. Assam . . .	16,765	19,183	22,586	23,000	19,000	22,000
TOTAL INDIA ₹	19,13,457	19,02,088	19,63,856	20,41,000	19,54,000	21,33,000
Equivalent in Sterling £	127,564	126,806	130,924	136,100	130,300	142,200
England . . £	148	413	122	300	300	300
TOTAL £	127,712	127,219	131,046	136,400	130,600	142,500

117. A saving of ₹·87 lakh is expected in the total grant for the current year, chiefly in consequence of the absence of the Lord Bishop of Madras and of some of the chaplains on leave, and the deputation of others to military duty. The Budget estimate for 1917-18 provides generally for the sanctioned scale of expenditure; provision has also been included for additional chaplains sanctioned for war hospitals and hospital ships in Bombay (₹·94 lakh) pending a decision as to the incidence of the expenditure.

Revised, 1916-17.

Budget, 1917-18.

XXA AND 24A.—MEDICAL.

EXPENDITURE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General	7,69,944	6,58,111	6,70,402	6,69,000	7,07,000	7,75,000
2. Delhi	65,824	2,60,911	1,68,155	1,75,000	1,71,000	1,76,000
3. Baluchistan	1,01,060	95,006	1,00,281	1,05,000	94,000	97,000
4. North-West Frontier	2,10,040	1,29,185	1,31,622	1,86,000	1,93,000	1,86,000
Total	11,46,868	11,43,213	10,70,460	11,35,000	11,65,000	12,34,000
Provincial.						
1. Madras	17,59,170	18,01,313	16,76,622	19,79,000	18,56,000	22,89,000
2. Bombay	20,23,803	18,40,309	18,12,721	19,69,000	18,60,000	19,60,000
3. Bengal	25,23,098	24,79,568	22,83,740	22,72,000	23,15,000	26,14,000
4. United Provinces	16,05,500	13,42,993	13,56,449	13,23,000	13,55,000	14,23,000
5. Punjab	9,35,470	13,26,288	12,41,347	9,44,000	8,71,000	11,05,000
6. Burma	17,12,848	19,05,125	17,51,522	17,29,000	16,10,000	17,68,000
7. Bihar and Orissa	7,21,219	7,56,715	6,37,591	6,16,000	6,47,000	6,96,000
8. Central Provinces	7,89,363	8,33,357	6,94,316	7,34,000	7,27,000	8,57,000
9. Assam	5,39,026	5,71,296	5,61,057	5,42,000	5,26,000	5,67,000
Total	1,26,09,497	1,28,56,964	1,20,15,865	1,21,08,000	1,17,67,000	1,32,79,000
TOTAL INDIA ₹	1,37,56,365	1,40,00,177	1,30,86,325	1,32,43,000	1,29,32,000	1,45,13,000
Equivalent in Sterling £	917,091	933,345	872,422	882,900	862,100	967,500
England £	1,619	1,356	1,328	1,100	900	1,000
TOTAL £	918,710	934,701	873,750	884,000	863,000	968,500

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General	6,037	6,011	6,164	6,000	6,000	6,000
2. Delhi	826	1,404	2,593	2,000	2,000	1,000
3. Baluchistan	1,879	88	264	...	..	...
4. North-West Frontier	181	2,564	1,339	1,000	1,000	1,000
TOTAL	8,923	10,067	10,360	9,000	9,000	8,000
Provincial.						
1. Madras	1,20,530	1,41,876	1,27,918	1,32,000	1,45,000	1,54,000
2. Bombay	2,59,801	2,94,210	3,29,612	3,46,000	4,02,000	3,84,000
3. Bengal	4,18,537	3,92,348	3,59,574	3,81,000	3,74,000	3,62,000
4. United Provinces	46,209	81,473	1,29,942	97,000	96,000	1,00,000
5. Punjab	38,327	43,958	39,960	46,000	41,000	40,000
6. Burma	89,250	91,398	1,01,547	94,000	1,03,000	1,04,000
7. Bihar and Orissa	13,852	18,569	28,872	25,000	38,000	34,000
8. Central Provinces	7,971	9,074	14,234	9,000	9,000	9,000
9. Assam	11,676	9,870	8,272	10,000	11,000	13,000
TOTAL	10,06,153	10,82,776	11,39,931	11,40,000	12,19,000	12,00,000
TOTAL INDIA ₹	10,15,076	10,92,843	11,50,291	11,49,000	12,28,000	12,08,000
Equivalent in Sterling £	67,672	72,856	76,686	76,600	81,800	80,500
England £	676	633	562	500	400	400
TOTAL £	68,348	73,489	77,248	77,100	82,200	80,900

118. The expenditure and receipt heads "Medical" have been split up into two heads designated "Medical" and "Sanitation". The receipts and charges of the X-Ray Institute and the Central Research Institute which were formerly recorded under the head "Scientific and Miscellaneous Departments" have also been transferred to the new heads "Medical" and "Sanitation" respectively. The figures of the Budget estimate for 1916-17 and of the actuals of previous years have been recast in accordance with this re-arrangement, and the new figures are shown in the above table.

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

119. The Revised estimate for 1916-17 does not differ materially from the Budget. The Budget estimate for 1917-18 provides for some increase in the expenditure on the X-Ray Institute and on medical establishments. *Revised, 1916-17.* *Budget, 1917-18.*

(*b*) *Provincial.*

120. The expenditure in 1916-17 is expected to be less than the Budget provision by R3·41 lakhs. The decrease occurs chiefly in Madras, Burma, Bombay and the Punjab and is due to the deputation of officers to military duty and lapses in the grants for the maintenance of hospitals and dispensaries. *Revised, 1916-17.*

121. The Budget estimate for 1917-18 is taken at R15·12 lakhs more than the Revised for the current year. Provision has been made for the cost of sanctioned establishments and for normal charges generally; for larger grants to local bodies in Madras (R2·10 lakhs) of which R1·50 lakhs are for buildings for medical institutions; for a grant of R3·50 lakhs to the Belgatchia Medical College in Bengal; for non-recurring expenditure in connection with the King Edward Memorial Hospital scheme and certain additional establishment in the new Mayo and Albert Victor Hospitals in the Punjab (R1·93 lakhs); and for improvement of dispensary buildings and quarters for the subordinate medical staff in the Central Provinces (R1·40 lakhs). *Budget, 1917-18.*

REVENUE.

(*a*) *Imperial.*

122. The figures show little variation.

(*b*) *Provincial.*

123. The increase in the Revised for the current year over the Budget is due mainly to a rise in hospital receipts in Bombay owing to the revised scale of fees charged to paying patients. The Budget for 1917-18 does not differ materially from the current year's Revised. *Revised, 1916-17.* *Budget, 1917-18.*

XXB AND 24B.—SANITATION.

EXPENDITURE.

	Accounts, 1913-14.	Accounts, 1914-15.	Accounts, 1915-16	1916-17.		Budget, 1917-18.
				Budget.	Revised.	
Imperial.						
1. India General . .	8,50,642	8,29,344	5,65,050	9,71,000	5,93,000	11,16,000
2. Delhi . . .	1,20,058	2,60,279	1,13,058	60,000	2,02,000	60,000
3. Baluchistan . .	13,712	11,146	10,677	12,000	11,000	10,000
4. North-West Frontier	16,211	1,21,332	2,59,711	2,47,000	2,26,000	2,39,000
Total .	10,00,623	12,22,101	9,48,496	12,90,000	10,32,000	14,25,000
Provincial.						
1. Madras . . .	7,27,228	7,16,906	33,51,417	19,89,000	18,69,000	13,76,000
2. Bombay . . .	6,97,167	6,59,805	5,73,767	7,69,000	6,16,000	10,85,000
3. Bengal . . .	3,27,361	5,35,586	4,15,035	5,53,000	5,15,000	5,98,000
4. United Provinces .	21,48,722	19,07,308	14,31,461	15,63,000	14,73,000	16,21,000
5. Punjab . . .	4,36,928	14,97,202	7,24,833	7,25,000	8,36,000	7,67,000
6. Burma . . .	3,56,692	13,09,635	9,37,463	9,11,000	9,11,000	9,10,000
7. Bihar and Orissa .	1,93,189	2,46,474	3,27,032	5,27,000	3,12,000	5,45,000
8. Central Provinces .	3,77,242	5,65,249	5,36,972	5,97,000	6,09,000	6,53,000
9. Assam . . .	1,16,585	1,34,426	1,06,657	1,29,000	1,29,000	1,49,000
Total .	53,81,114	75,72,591	84,04,637	77,63,000	72,70,000	77,04,000
TOTAL INDIA R	63,81,737	87,94,692	93,53,133	90,53,000	83,02,000	91,29,000
Equivalent in Sterling £	425,449	586,313	623,542	603,500	553,500	608,600
England . . £	6,700	4,984	1,744	2,000	2,000	2,000
Total .	432,149	591,297	625,286	605,500	555,500	610,600

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
Imperial.						
1. India General . .	8,206	20,817	29,665	15,000	52,000	60,000
2. Baluchistan . .	...	...	...	...	...	...
3. North-West Frontier.	...	1,224	5,310	7,000	...	...
TOTAL .	8,206	22,041	34,975	22,000	52,000	60,000
Provincial.						
1. Madras . . .	71,186	9,685	10,834	10,000	18,000	10,000
2. Bombay . . .	18,169	11,941	12,927	16,000	18,000	16,000
3. Bengal . . .	1,770	2,210	660	...	93,000	12,000
4. United Provinces .	26,276	63,462	80,666	30,000	42,000	30,000
5. Punjab . . .	26,404	41,964	37,853	70,000	97,000	31,000
6. Burma . . .	15,140	14,860	20,411	16,000	27,000	20,000
7. Bihar and Orissa .	...	...	2,967	...	12,000	16,000
8. Central Provinces .	9,415	9,594	20,579	10,000	33,000	30,000
9. Assam . . .	12,244	14,095	18,983	22,000	27,000	27,000
TOTAL .	1,80,604	1,67,811	2,05,880	1,74,000	3,67,000	2,42,000
TOTAL INDIA R	1,88,810	1,89,852	2,40,855	1,96,000	4,19,000	3,02,000
Equivalent in sterling £	12,587	12,657	16,057	13,000	27,900	20,100

EXPENDITURE.

(*a*) *Imperial* (*India and England.*)

Revised, 1916-17.

124. The Revised estimate for 1916-17 is less than the Budget by R2·58 lakhs. The decrease is nominal and is due to the assignment to Provincial Governments of R2·64 lakhs out of the reserve of R3·70 lakhs for sanitary expenditure, provision for which was included in the Imperial section in the Budget estimate. There is an increase of R1·42 lakhs in Delhi of which R·80 lakh is due to an allotment from the reserve provision for a drainage scheme. The balance relates to a grant to the Municipal Committee for relieving it from departmental charges on works executed by the Public Works Department, but a nearly equivalent saving arises from the resumption of the recurring grant of R·50 lakh from Imperial revenues made to Bangalore for expenditure on sanitation, in consequence of the decision that special expenditure in Bangalore should be met from the revenues of the Assigned Tract.

125. The reserve of R3·70 lakhs provided in the Budget for 1916-17 out of the recurring appropriation of R51 lakhs from Imperial revenues for the improvement of sanitation will be utilised as shown below :—

	(Lakhs of Rupees.)	
(*i*) Assigned to Provincial Governments as follows :—		
(*a*) to the Punjab for a non-recurring grant to the Simla Municipal Committee in connection with the Dhar Housing Scheme	1·61	
(*b*) to the United Provinces for the improvement of the pilgrim route to Badrinath and Kedarnath (non-recurring)	1·00	
(*c*) To Bihar and Orissa for a recurring grant to the local Haj committee	·03	
		2·64
(*ii*) To Delhi for a drainage scheme	·80	
(*iii*) Miscellaneous items	·26	
Total .	3·70	

Budget, 1917-18.

126. The Budget estimate for 1917-18 exceeds the Revised for the current year by R3·93 lakhs. Provision has been made for the cost of sanctioned establishments and normal charges generally; and for a reserve of R5·67 lakhs. The reduction of R1·42 lakhs in the expenditure in Delhi is due to the absence of the special outlay mentioned in paragraph 124.

127. Out of the special appropriation of R51 lakhs referred to in paragraph 125, R37·83 lakhs have been assigned permanently to Provincial Governments or allotted for recurring outlay in minor administrations. From the balance of R13·17 lakhs, R3 lakhs will be paid in 1917-18 to the Indian Research Fund and R1 lakh to the Peshawar municipality; and R5·67 lakhs will be held in reserve to meet pressing demands that may come forward during the ensuing year. The residue of R3·50 lakhs will be temporarily resumed in view of the financial situation, and will be made available for expenditure on sanitation later, on the return of normal conditions.

(*b*) *Provincial.*

Revised, 1916-17.

128. The Revised estimate for 1916-17 is less than the Budget by R4·93 lakhs. The latter included special allotments aggregating about R34 lakhs for outlay from recurring and non-recurring grants made from Imperial revenues for the development of sanitation. The expenditure from these grants is now estimated at R38 lakhs inclusive of expenditure from the assignments made during the current year as stated in paragraph 125. Of this amount, R35 lakhs only are recorded under Sanitation, the balance being shown under Civil Works. There is thus a decrease of R6 lakhs in the provision for expenditure from ordinary Provincial resources, which is the result of variations in several provinces, mainly in the grants in aid of sanitary projects.

Budget, 1917-18.

129. The Budget estimate for 1917-18 exceeds the Revised for the current year by R4·34 lakhs. The provision under Sanitation for expenditure from

special Imperial grants amounts to about R36 lakhs against a probable expenditure of R35 lakhs in the current year. Provision has generally been made for the full cost of sanctioned establishments as well as for an expansion of outlay in aid of sanitary schemes in several provinces, Madras and the Punjab being the only provinces which provide for a material decrease in the total expenditure.

130. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants made from Imperial revenues in recent years (beginning from 1911-12) in aid of sanitation. To simplify the position, it has been assumed that the recurring grants are fully utilised before any expenditure is debited against the non-recurring grants; and the *minus* figure in 1916-17 and 1917-18 against some of the provinces indicates that the recurring grants will not be spent in full during the year.

[In lakhs of rupees.

Province.	Grants to end of 1917-18.	Expenditure.					Unspent on balance on 31st March 1918.
		To end of 1915-16.	In 1916-17 (Revised) recorded under		In 1917-18 (Budget) recorded under		
			Sanitation.	Other heads.	Sanitation.	Other heads.	
Madras . . .	39·25	34·54	4·71	...	...	...	...
Bombay . . .	37·95	18·10	—5·27	...	—1·15	...	26·27
Bengal . . .	40·55	10·25	—2·75	...	—2·50	...	35·55
United Provinces .	52·20	30·56	1·00	...	1·00	...	19·64
Punjab . . .	30·58	19·30	·11	...	...	...	11·17
Burma . . .	21·50	12·66	...	...	...	...	8·84
Bihar and Orissa .	17·82	11·21	...	·27	...	...	6·34
Central Provinces .	16·50	7·87	1·77	·17	2·07	·03	4·59
Assam . . .	6·96	6·21	·75	...	—·39	...	·39
Total .	2,63·31	1,50·70	·32	·44	—·97	·03	1,12·79

No material expenditure from the special grants is expected in the current and next years. Only two of the provinces expect to utilise in 1917-18 a portion of the unspent balances of the non-recurring grants; while in three others, the recurring grants will not be spent in full.

Revenue.

(*a*) *Imperial.*

131. The figures do not show any important variation.

(*b*) *Provincial.*

Revised, 1916-17. 132. The increase in the Revised estimate for the current year over the Budget is due chiefly to contributions received from the Indian Research Fund in Bengal for anti-malarial and other enquiries. The Budget estimate for 1917-18 provides for normal receipts.

Budget, 1917-18.

25.—POLITICAL.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-16.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
Imperial.						
1. India General . .	66,13,582	64,80,080	76,84,254	63,68,000	1,35,11,000	1,48,21,000
2. Delhi . . .	...	810	1,236	1,000	1,000	1,000
3. Baluchistan . .	24,15,124	24,13,424	25,32,825	25,77,000	30,22,000	27,42,000
4. North-West Frontier .	31,59,306	31,60,054	33,77,482	38,63,000	38,62,000	50,53,000
5. Punjab . . .	6,92,886	6,23,229	6,22,022	6,24,000	5,97,000	6,13,000
6. Other Provinces .	6,56,541	6,67,596	7,54,390	6,99,000	7,90,000	9,10,000
TOTAL .	1,35,37,439	1,33,45,193	1,49,72,209	1,41,32,000	2,17,83,000	2,41,40,000
Provincial.						
1. Madras . . .	88,834	85,269	85,757	89,000	89,000	89,000
2. Bombay . . .	4,36,079	5,15,841	5,02,820	5,47,000	5,16,000	5,30,000
3. Bengal . . .	32,975	18,358	23,187	23,000	2,77,000	2,36,000
4. United Provinces .	2,797	3,960	4,264	8,000	6,000	8,000
5. Burma . . .	13,58,283	18,26,178	11,89,489	19,56,000	10,37,000	17,33,000
6. Bihar and Orissa .	64,917	57,363	39,687	56,000	49,000	60,000
7. Central Provinces .	23,716	34,483	30,422	38,000	40,000	44,000
8. Assam . . .	16,15,626	6,03,759	5,68,221	5,82,000	5,34,000	5,95,000
TOTAL .	36,23,227	31,45,211	24,43,847	32,99,000	25,48,000	32,95,000
TOTAL INDIA . R	1,71,60,666	1,64,90,404	1,74,16,056	1,74,31,000	2,43,31,000	2,74,35,000
Equivalent in Sterling £	1,144,044	1,099,360	1,161,070	1,162,100	1,622,100	1,829,000
England . . . £	15,146	23,975	6,957	16,400	30,900	24,200
TOTAL . £	1,159,190	1,123,335	1,168,027	1,178,500	1,653,000	1,853,200

133. The Imperial outlay shown against "Other Provinces" consists of the charges of the Political Residency at Aden and certain other expenditure—mainly in connection with political refugees and State prisoners—in several provinces.

(*a*) *Imperial—India and England.*

134. The expenditure in 1916-17 is likely to exceed the Budget provision by R78·68 lakhs, owing mainly to special expenditure in Persia necessitated by the war. The total Budget for 1917-18 is more than the Revised estimate for 1916-17 by R22·57 lakhs. An increase is expected in the special expenditure in Persia, and in the cost of militia employed on the North-West Frontier. *Revised, 1916-17.* *Budget, 1917-18.*

(*b*) *Provincial.*

135. The total expenditure in 1916-17 is expected to fall short of the Budget by R7·51 lakhs. A saving of R9·67 lakhs is anticipated in the special expenditure in Burma and Assam in connection with the administration and proper control of the North-East Frontier; a portion of the saving will be utilised for increased expenditure in Bengal, mainly on account of allowances to *détenus* under the Defence of India and other Acts. The Budget estimate for 1917-18 exceeds the Revised for the current year by R7·47 lakhs owing to the inclusion of normal provision for special expenditure on the North-East Frontier. *Revised, 1916-17.* *Budget, 1917-18.*

XXI A. AND 26 A.—AGRICULTURE.

EXPENDITURE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General	7,68,693	7,57,462	7,71,720	8,00,000	8,28,000	11,24,000
2. Delhi	7,298	10,860	10,705	12,000	12,000	12,000
3. Baluchistan	22,887	27,624	36,672	31,000	27,000	36,000
4. North-West Frontier	1,05,234	84,757	80,060	94,000	70,000	1,53,000
5. Other Provinces	3,36,908	28,555	27,189	...	...	...
TOTAL	12,41,020	9,09,258	9,26,346	9,37,000	9,37,000	13,25,000
Provincial.						
1. Madras	8,95,246	8,83,060	11,21,167	11,82,000	12,29,000	14,50,000
2. Bombay	10,70,232	12,45,884	12,06,261	13,20,000	12,66,000	15,71,000
3. Bengal	9,06,776	10,22,161	11,39,162	11,29,000	11,00,000	12,26,000
4. United Provinces	11,90,486	12,20,008	12,74,821	12,08,000	12,54,000	21,66,000
5. Punjab	8,55,270	11,45,530	11,82,849	12,86,000	12,33,000	24,45,000
6. Burma	4,69,492	5,31,738	6,03,974	6,05,000	6,12,000	6,92,000
7. Bihar and Orissa	4,46,941	4,73,448	4,73,647	4,97,000	4,67,000	5,98,000
8. Central Provinces	7,25,222	7,37,743	7,81,288	8,87,000	8,59,000	11,76,000
9. Assam	2,04,544	2,84,524	2,33,082	2,57,000	2,94,000	3,16,000
TOTAL	67,64,209	75,44,046	80,16,251	83,71,000	83,14,000	1,16,40,000
TOTAL INDIA ₹	80,05,229	84,53,304	89,42,597	93,08,000	92,51,000	1,29,65,000
Equivalent in Sterling £	533,682	563,554	596,173	620,500	616,800	864,300
England £	1,257	2,631	1,328	1,800	3,500	2,000
TOTAL £	534,939	566,185	597,501	622,300	620,300	866,300

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General	1,28,052	1,28,632	1,55,342	1,54,000	1,69,000	2,18,000
2. Delhi	1,086	100	...	...	...	...
3. Baluchistan	1,612	4,042	2,260	5,000	4,000	4,000
4. North-West Frontier	2,167	1,993	2,450	6,000	3,000	6,000
TOTAL	1,32,917	1,34,767	1,60,052	1,65,000	1,76,000	2,28,000
Provincial.						
1. Madras	1,00,652	1,19,810	1,70,924	1,58,000	2,04,000	2,20,000
2. Bombay	1,22,622	1,17,134	1,52,129	1,80,000	1,80,000	1,90 000
3. Bengal	78,756	71,678	1,01,156	94,000	1,05,000	1,05,000
4. United Provinces	1,83,256	1,80,094	1,98,213	2,52,000	2,43,000	3,13,000
5. Punjab	2,16,560	1,72,827	2,27,457	1,94,000	2,09,000	2,41,000
6. Burma	13,851	14,112	16,026	20,000	20,000	15,000
7. Bihar and Orissa	21,407	18,242	25,674	30,000	30,000	35,000
8. Central Provinces	1,10,198	1,10,341	1,10,759	1,24,000	1,26,000	1,27,000
9. Assam	8,232	9,256	14,582	16,000	20,000	36,000
TOTAL	8,55,534	8,13,494	10,16,920	10,68,000	11,37,000	13,12,000
TOTAL INDIA ₹	9,88,451	9,48,261	11,76,972	12,33,000	13,13,000	15,40,000
Equivalent in sterling £	65,897	63,217	78,465	82,200	87,600	102,700

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

136. The Revised estimate for the current year does not differ materially from the Budget. The Budget estimate for 1917-18 provides generally for sanctioned establishments and includes grants of (*i*) R1 lakh for a committee to investigate the possibility of increasing the production of long staple cotton in India and (*ii*) R1·50 lakhs for Imperial expenditure on agricultural and allied objects from the profits of the wheat scheme of 1915, R·50 lakh out of the latter sum relating to expenditure in the North-West Frontier Province. It also includes allotments for special expenditure on apparatus, etc., in the Bacteriological laboratory at Mukteswar and for the creation of a separate Veterinary Department in the North-West Frontier Province, the provision for which was not utilised in the current year.

Revised, 1916-17.
Budget, 1917-18.

(*b*) *Provincial.*

137. The total Revised estimate for 1916-17 does not differ materially from the Budget, lapses in grants in some of the provinces being nearly counter-balanced by unimportant excesses in others. The Budget estimate for 1917-18 exceeds the Revised for 1916-17 by R33·26 lakhs. Grants aggregating R22·20 lakhs have been made for expenditure on agricultural and cognate objects from the profits of the wheat scheme of 1915, namely, in the Punjab (10·70 lakhs), the United Provinces (R7·75 lakhs), the Central Provinces (R2·25 lakhs) and Bombay (R1·50 lakhs). Special allotments have also been made in almost all the provinces from ordinary Provincial resources for the expansion of the operations of the agricultural and allied departments.

Revised, 1916-17.
Budget, 1917-18.

REVENUE.

(*a*) *Imperial.*

138. The Revised estimate for 1916-17 does not differ materially from the Budget. The Budget estimate for 1917-18 provides for increased receipts from the manufacture of serum.

Revised, 1916-17.
Budget, 1917-18.

(*b*) *Provincial.*

139. The variations between the Budget and Revised estimates for the current year and between the latter and the Budget estimate for the next year are due to increased receipts in most of the provinces consequent on the opening of new farms, etc.

Revised, 1916-17.
Budget, 1917-18.

XXI B AND 26 B.—SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS.

EXPENDITURE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General	43,30,759	41,42,629	38,85,573	40,54,000	41,17,000	41,70,000
2. Delhi	9,200	8,500	2,775	...	11,000	1,000
3. Baluchistan	11,998	6,903	10,024	13,000	13,000	13,000
4. North-West Frontier	9,749	8,889	8,479	11,000	9,000	9,000
5. Other Provinces	34,545	34,554	36,620	37,000	37,000	37,000
TOTAL	43,96,251	42,01,475	39,43,471	41,15,000	41,87,000	42,30,000
Provincial.						
1. Madras	8,82,452	9,68,100	10,27,401	12,37,000	13,50,000	15,55,000
2. Bombay	1,33,320	1,49,990	1,52,064	1,51,000	1,51,000	3,17,000
3. Bengal	5,19,023	5,16,108	4,47,690	6,44,000	4,63,000	5,33,000
4. United Provinces	96,295	86,787	1,11,509	1,02,000	1,19,000	1,01,000
5. Punjab	1,10,418	1,01,133	1,39,277	1,62,000	1,46,000	1,75,000
6. Burma	69,103	80,931	73,712	74,000	85,000	82,000
7. Bihar and Orissa	30,303	25,936	21,634	31,000	32,000	26,000
8. Central Provinces	72,130	68,995	79,172	1,00,000	93,000	1,17,000
9. Assam	93,218	84,227	87,599	86,000	84,000	84,000
TOTAL	20,06,262	20,82,207	21,40,058	25,87,000	25,23,000	30,40,000
TOTAL INDIA ₹	64,02,513	62,83,682	60,83,529	67,02,000	67,10,000	72,70,000
Equivalent in Sterling £	426,835	418,912	405,568	446,800	447,300	484,700
England (mainly stores) £	33,529	34,815	26,490	40,100	43,800	52,500
TOTAL £	460,364	453,727	432,058	486,900	491,100	537,200

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General	1,28,843	1,40,748	1,17,564	1,16,000	1,24,000	1,16,000
2. Delhi	4,669	4,677	938	1,000	1,000	1,000
3. Baluchistan	736	214	8	...	...	...
4. North-West Frontier	212	283	135	1,000	...	...
TOTAL	1,34,460	1,45,922	1,18,645	1,18,000	1,25,000	1,17,000
Provincial.						
1. Madras	5,71,567	8,67,866	11,13,461	10,87,000	15,89,000	17,61,000
2. Bombay	17,726	46,128	36,455	54,000	44,000	1,27,000
3. Bengal	1,98,925	4,61,291	6,04,849	5,22,000	7,50,000	7,81,000
4. United Provinces	25,339	21,263	22,119	23,000	23,000	23,000
5. Punjab	1,555	7,159	27,245	29,000	32,000	30,000
6. Burma	310	2,177	3,993	1,000	5,000	5,000
7. Bihar and Orissa	3,740	2,837	2,874	5,000	2,000	2,000
8. Central Provinces	32,194	28,184	26,608	26,000	28,000	28,000
9. Assam	10,186	9,594	11,409	...	20,000	2,000
TOTAL	8,61,542	14,46,499	18,49,023	17,47,000	24,93,000	27,59,000
TOTAL INDIA ₹	9,96,002	15,92,421	19,67,668	18,65,000	26,18,000	28,76,000
Equivalent in Sterling £	66,400	106,161	131,178	124,400	174,600	191,700
England £	962	624	557	800	900	700
TOTAL £	67,362	106,785	131,735	125,200	175,500	192,400

Details of expenditure shown against "Imperial" in the preceding table.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
(a) Scientific—						
i. Survey of India .	25,94,086	23,84,144	21,73,009	23,28,000	21,07,000	24,07,000
ii. Geological Survey	3,06,073	2,64,322	2,40,809	2,61,000	2,39,000	2,40,000
iii. Meteorological Survey . .	4,27,266	4,54,563	4,32,342	4,50,000	4,38,000	4,39,000
iv. Archæological Survey . .	3,08,433	3,37,503	3,09,368	2,86,000	3,39,000	2,71,000
v. Zoological Survey	...	...	...	...	46,000	1,03,000
vi. Central Museum .	1,44,177	1,41,049	1,34,001	1,38,000	89,000	84,000
vii. Other items .	75,251	93,592	67,723	60,000	69,000	70,000
(b) Labour and Emigration—						
Emigration and other charges .	4,249	4,984	21,123	18,000	19,000	19,000
(c) Statistics—						
i. Bureau of Commercial Intelligence, and other charges . .	1,58,519	1,71,530	1,92,508	1,86,000	2,03,000	1,85,000
ii. Census . .	40,302	2,510	2,007	3,000	2,000	3,000
(d) Miscellaneous—						
i. Imperial Library	39,692	44,462	45,723	46,000	44,000	73,000
ii. Examinations .	47,590	51,224	45,782	46,000	48,000	48,000
iii. Chief Inspector of Explosives .	82,939	79,825	87,808	87,000	88,000	88,000
iv. Acetone Factory .	...	...	...	...	2,60,000	40,000
v. Inspector of Mines	98,312	1,12,728	1,25,498	1,30,000	1,22,000	1,36,000
vi. Controller of Patents . .	39,768	32,231	36,462	42,000	41,000	41,000
vii. Actuary to Government of India .	21,115	22,641	22,315	24,000	24,000	24,000
viii. Other items .	7,979	4,167	6,993	10,000	9,000	9,000
TOTAL R	43,96,251	42,01,475	39,43,471	41,15,000	41,87,000	42,30,000

140. The figures of expenditure shown against "Other Provinces" in the table at page 74 represent outlay incurred in the several provinces in connection with ethnographical surveys and census operations, as well as the cost of the Archaeological Department in Burma. The receipts and charges connected with the X-Ray Institute at Dehra Dun and the Central Research Institute at Kasauli which were formerly shown under this head have now been transferred to the heads "Medical" and "Sanitation" respectively. The figures of the Budget estimate for 1916-17 and the actuals of the preceding years shown in the table at page 74 have been corrected so as to exclude these transactions.

EXPENDITURE.

(a) *Imperial—India and England.*

Revised, 1916-17.

141. The total expenditure in 1916-17 will exceed the Budget estimate by R1·27 lakhs. An expenditure of R2·60 lakhs is anticipated on the Acetone factory in Bangalore, the provision for which was included in the Budget estimate under "46.—Army." On the other hand, there will be a lapse of R2·21 lakhs in the grant for the Survey of India owing to a larger programme of work undertaken for other Departments and a consequent curtailment in the operations chargeable to this head. There will also be minor excesses over the grants for other items of expenditure.

Budget, 1917-18.

142. The Budget estimate for 1917-18 is higher than the Revised estimate for the current year by ₹1·73 lakhs. The increase is mainly due to a normal programme of survey operations and a higher provision for the purchase of stores in England, partly counterbalanced by the omission of the initial expenditure on the Acetone factory included in the Revised.

(*b*) *Provincial.*

Revised, 1916-17.

143. The total Revised estimate for 1916-17 does not differ materially from the Budget. The lump provision of ₹1·30 lakhs for the development of industries in Bengal included in the Budget will lapse almost wholly. On the other hand, an excess of ₹1·13 lakhs is expected in Madras mainly on account of larger purchases of cinchona bark.

Budget, 1917-18.

The Budget for 1917-18 is taken at ₹5·17 lakhs more than the Revised estimate for the current year. The increases occur (*i*) in Madras (₹2·05 lakhs) due to a larger provision for the development of industries and cinchona plantations and in connection with soap and chank experiments, (*ii*) in Bombay (₹1·66 lakhs) owing to the provincialization of the receipts and charges of the steam boiler inspection establishment which have hitherto formed a local fund, and to a proposed grant to the Institute of Science in Bangalore, and (*iii*) in Bengal (₹1·20 lakhs) mainly due to the inclusion of a lump provision (₹·80 lakh) for the development of industries.

REVENUE.

(*a*) *Imperial.*

144. The figures show little variation.

(*b*) *Provincial.*

Revised, 1916-17.

145. The improvement in revenue in 1916-17 over the Budget estimate occurs mainly in the receipts from the cinchona plantations in Bengal and Madras owing to larger sales of quinine and higher prices.

Budget, 1917-18.

The Budget estimate for 1917-18 anticipates a further rise of ₹2·66 lakhs in the revenue owing chiefly to higher receipts in Madras from fisheries and to the inclusion of provision for receipts from the steam boiler department in Bombay which will be provincialized from 1917-18.

27.—TERRITORIAL AND POLITICAL PENSIONS.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
Imperial.						
1. India General .	1,12,559	1,14,693	1,01,560	1,19,000	1,11,000	1,17,000
2. Delhi . . .	36,685	55,684	47,698	51,000	46,000	45,000
3. Baluchistan . .	49,278	43,632	36,768	38,000	37,000	38,000
4. North-West Frontier	66,975	60,278	57,670	61,000	61,000	61,000
5. Madras . . .	3,53,700	3,13,673	3,09,757	3,22,000	3,11,000	3,14,000
6. Bombay . .	5,31,218	5,06,921	4,71,049	4,87,000	4,79,000	4,79,000
7. Bengal . .	7,93,382	7,45,598	7,21,388	7,34,000	7,20,000	7,23,000
8. United Provinces .	7,52,347	7,02,312	7,70,124	8,00,000	7,84,000	7,78,000
9 Punjab . . .	81,638	73,494	2,24,463	72,000	73,000	76,000
10. Burma . .	1,48,662	1,50,766	1,31,916	1,32,000	1,24,000	1,26,000
11. Bihar and Orissa .	40,762	30,670	69,803	55,000	58,000	54,000
12. Central Provinces .	1,71,252	1,68,752	1,78,338	1,76,000	1,76,000	1,78,000
13. Assam . . .	4,511	4,592	7,343	8,000	8,000	8,000
TOTAL INDIA . R	31,42,969	29,71,065	31,27,877	30,55,000	29,88,000	29,97,000
Equivalent in Sterling £	209,531	198,071	208,525	203,700	199,200	199,800
England . £	11,189	10,550	10,550	10,600	10,600	10,600
TOTAL . £	220,720	208,621	219,075	214,300	209,800	210,400

146. The figures show little variation.

28.—CIVIL FURLOUGH AND ABSENTEE ALLOWANCES.

		Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
					Budget.	Revised.	
Imperial.							
India	R	19,208	9,018	11,692	19,000	29,000	23,000
Equivalent in Sterling	£	1,280	601	780	1,300	1,900	1,500
England	£	450,326	359,838	235,054	228,000	260,000	260,000
TOTAL	£	451,606	360,439	235,834	229,300	261,900	261,500

147. Almost the whole of the expenditure recorded under this head is incurred in England. Leave allowances of officers paid in India are charged to the same head as their salaries, and the small sums shown against India represent leave allowances of officers lent to Foreign States, etc.

Revised, 1916-17. 148. The Revised estimate for 1916-17 exceeds the Budget by £32,600 owing to an increase in the number of officers on leave out of India. The

Budget, 1917-18. Budget estimate for 1917-18 practically repeats the Revised for the current year.

XXII AND 29.—SUPERANNUATION.

EXPENDITURE.

	Accounts, 1913-14.	Accounts, 1914-15.	Accounts, 1915-16.	1916-17. Budget.	1916-17. Revised.	Budget, 1917-18.
Imperial.						
1. India General	12,06,141	12,58,489	12,24,674	12,52,000	12,44,000	12,56,000
2. Delhi	1,70,773	1,77,034	1,96,313	1,76,000	2,01,000	1,75,000
3. Baluchistan	29,244	30,695	32,778	34,000	39,000	49,000
4. North-West Frontier	1,70,624	1,70,864	1,76,011	1,95,000	1,76,000	1,78,000
5. Other Provinces	1,08,782	1,03,652	99,598	1,06,000	99,000	94,000
TOTAL	16,85,564	17,40,734	17,29,374	17,63,000	17,59,000	17,52,000
Provincial.						
1. Madras	31,24,098	33,83,557	33,08,215	33,20,000	33,41,000	34,65,000
2. Bombay	36,44,035	38,24,933	38,59,390	39,29,000	39,06,000	39,27,000
3. Bengal	31,00,288	31,98,648	31,41,809	33,71,000	32,90,000	34,11,000
4. United Provinces	34,60,937	36,11,280	35,97,913	37,10,000	37,38,000	38,76,000
5. Punjab	21,72,893	22,61,743	23,15,418	25,34,000	25,04,000	26,68,000
6. Burma	9,27,028	10,72,693	10,97,040	11,71,000	11,50,000	11,70,000
7. Bihar and Orissa	9,07,634	9,21,218	10,02,672	10,31,000	10,31,000	10,66,000
8. Central Provinces	8,66,965	8,88,283	9,61,856	9,90,000	10,45,000	10,83,000
9. Assam	2,83,152	3,08,095	3,35,677	3,37,000	3,41,000	3,45,000
TOTAL	1,84,87,030	1,94,70,450	1,96,19,990	2,03,93,000	2,03,46,000	2,10,11,000
TOTAL INDIA ₹	2,01,72,594	2,12,11,184	2,13,49,364	2,21,56,000	2,21,05,000	2,27,63,000
Equivalent in Sterling £	1,344,840	1,414,079	1,423,291	1,477,000	1,473,700	1,517,500
England £	2,054,647	2,065,655	2,046,992	2,052,000	2,019,000	2,018,000
TOTAL £	3,399,487	3,479,734	3,470,283	3,529,000	3,492,700	3,535,500

REVENUE.

	Accounts, 1913-14.	Accounts, 1914-15.	Accounts, 1915-16.	1916-17. Budget.	1916-17. Revised.	Budget, 1917-18.
Imperial.						
1. India General	3,54,865	3,87,694	3,55,112	3,51,000	3,79,000	3,76,000
2. Delhi	2,760	3,923	3,756	4,000	4,000	4,000
3. Baluchistan	3,568	5,099	5,458	5,000	5,000	5,000
4. North-West Frontier	19,653	21,324	20,089	21,000	23,000	23,000
5. Other Provinces	9,55,641	10,19,025	10,52,668	10,85,000	10,31,000	10,34,000
TOTAL	13,36,487	14,37,065	14,37,083	14,66,000	14,42,000	14,42,000
Provincial.						
1. Madras	94,511	1,05,362	1,21,255	1,18,000	1,23,000	1,23,000
2. Bombay	3,88,255	4,55,430	4,53,041	4,48,000	4,39,000	4,33,000
3. Bengal	38,886	58,567	54,583	56,000	56,000	56,000
4. United Provinces	70,992	89,365	98,638	1,00,000	1,20,000	1,20,000
5. Punjab	75,601	82,867	1,01,870	1,00,000	80,000	80,000
6. Burma	16,448	18,283	23,692	18,000	24,000	20,000
7. Bihar and Orissa	24,271	31,838	31,716	30,000	40,000	40,000
8. Central Provinces	1,24,284	1,78,420	2,27,244	2,16,000	2,28,000	2,28,000
9. Assam	4,391	5,259	6,232	6,000	6,000	6,000
TOTAL	8,37,639	10,25,391	11,18,271	10,92,000	11,16,000	11,06,000
TOTAL INDIA ₹	21,74,126	24,62,456	25,55,354	25,58,000	25,58,000	25,48,000
Equivalent in Sterling £	144,941	164,164	170,357	170,500	170,500	169,900
England £	61,869	49,071	43,570	42,800	48,100	46,200
TOTAL £	206,810	213,235	213,927	213,300	218,600	216,100

149. The figures of Imperial revenue shown against " Other Provinces " represent the receipts of certain abolished funds, the assets and liabilities of which were taken over by the Government, as well as the subscriptions paid by members of the Indian Civil Service for securing certain pensionary benefits for their families. The charges on account of such pensions as well as of the pensions of the abolished funds are recorded in the accounts as Imperial expenditure.

EXPENDITURE.

(*a*) *Imperial—India and England.*

Revised, 1916-17. 150. The expenditure in the current year will be less than the Budget estimate by ₹4·99 lakhs, the decrease occurring in the pensions of retired officers of the Uncovenanted service in England. The Budget estimate for 1917-18 closely follows the Revised for the current year.

Budget, 1917-18.

(*b*) *Provincial.*

Revised, 1916-17. 151. The Revised estimate for 1916-17 is less than the Budget by ₹·47 lakh owing to reduced payments in connection with the commutation of pensions, mainly in Bengal.

Budget, 1917-18. 152. The Budget estimate for 1917-18 provides for the normal growth of the retired list.

REVENUE.

153. The figures show little variation.

XXIII AND 30.—STATIONERY AND PRINTING.

EXPENDITURE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. Central Stationery Office	2,77,711	2,32,764	2,46,159	2,46,000	2,62,000	2,61,000
2. Stationery purchased for Central stores.	44,53,180	41,38,635	42,46,143	42,65,000	50,15,000	62,83,000
3. Government Presses (mainly Calcutta, Simla and Delhi)	17,36,923	17,98,939	19,74,654	19,44,000	20,96,000	20,90,000
4. Other charges	11,405	9,390	8,771	9,000	8,000	8,000
5. *Deduct*—Value of supplies to Local Governments and Administrations and to Postal and Telegraph Department, etc.	—49,68,584	—49,10,865	—49,78,824	—51,88,000	—51,32,000	—53,56,000
6. Delhi	10,138	11,256	16,173	11,000	15,000	15,000
7. Baluchistan	2,100	2,513	1,518	3,000	3,000	3,000
8. North-West Frontier	1,09,250	1,12,161	1,08,548	1,24,000	1,14,000	1,22,000
TOTAL	16,32,123	13,94,793	16,23,142	14,14,000	23,81,000	34,26,000
Provincial.						
1. Madras	15,87,854	14,79,937	14,84,731	15,85,000	14,60,000	15,75,000
2. Bombay	14,97,543	15,34,087	12,43,301	14,05,000	13,35,000	12,80,000
3. Bengal	14,85,406	12,69,717	13,01,451	13,48,000	12,62,000	13,29,000
4. United Provinces	9,18,067	9,78,237	9,89,632	9,32,000	9,52,000	11,28,000
5. Punjab	6,67,651	7,70,683	7,64,981	8,22,000	7,90,000	8,47,000
6. Burma	6,91,512	7,29,399	6,89,804	7,25,000	6,51,000	6,85,000
7. Bihar and Orissa	3,16,285	5,55,141	6,58,811	6,80,000	6,50,000	6,43,000
8. Central Provinces	4,05,077	4,01,092	3,70,289	4,02,000	3,59,000	3,56,000
9. Assam	1,65,196	1,69,788	1,78,528	1,81,000	1,75,000	1,71,000
TOTAL	77,34,591	78,88,081	76,81,528	80,80,000	76,34,000	80,14,000
TOTAL INDIA ₹	93,66,714	92,82,874	93,04,670	94,94,000	1,00,15,000	1,14,40,000
Equivalent in Sterling £	624,448	618,859	620,311	632,900	667,700	762,700
England — Stores £	99,812	105,818	103,703	99,400	114,600	89,100
England — Other charges £	5,496	7,589	7,030	8,300	9,900	9,500
TOTAL £	729,756	732,266	731,044	740,600	792,200	861,300

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General	4,54,839	4,68,362	4,35,460	4,10,000	3,91,000	2,96,000
2. Delhi	5,131	4,479	4,937	8,000	3,000	4,000
3. Baluchistan	205	71	363	...	...	...
4. North-West Frontier	20,387	23,666	17,730	23,000	23,000	23,000
5. Other Provinces	1,42,784	1,90,986	1,06,617	1,72,000	1,70,000	1,89,000
TOTAL	6,23,346	6,87,564	5,65,107	6,13,000	5,87,000	5,12,000
Provincial.						
1. Madras	1,33,155	1,26,551	1,24,084	1,17,000	1,22,000	1,23,000
2. Bombay	1,13,039	1,24,721	1,32,827	1,17,000	1,27,000	1,27,000
3. Bengal	1,37,862	1,49,604	1,33,395	1,27,000	1,43,000	1,38,000
4. United Provinces	1,67,652	1,54,113	1,61,901	1,59,000	1,65,000	1,67,000
5. Punjab	72,208	79,627	81,573	1,10,000	98,000	1,14,000
6. Burma	52,425	47,328	48,153	48,000	50,000	50,000
7. Bihar and Orissa	29,110	30,478	21,895	25,000	25,000	25,000
8. Central Provinces	64,813	57,202	62,554	60,000	60,000	43,000
9. Assam	7,633	6,718	5,511	7,000	5,000	5,000
TOTAL	7,77,897	7,76,342	7,71,893	7,70,000	7,95,000	7,92,000
TOTAL INDIA ₹	14,01,243	14,63,906	13,37,000	13,83,000	13,82,000	13,04,000
Equivalent in Sterling £	93,416	97,594	89,134	92,200	92,100	86,900

EXPENDITURE.

(*a*) *Imperial—India and England.*

Revised, 1916-17.

154. The total Imperial expenditure in 1916-17, exclusive of the charges of the commercial departments, is likely to exceed the Budget provision by R12·19 lakhs, the increase being due to higher outlay in the Government Presses and on the purchase of articles of stationery consequent on a rise in prices.

Budget, 1917-18.

The Budget estimate for 1917-18 provides for a further increase in the cost of stationery.

(*b*) *Provincial.*

Revised, 1916-17.

155. The Revised estimate for 1916-17 is less than the Budget by R4·46 lakhs as the result of unimportant lapses in most of the provinces.

Budget, 1917-18.

The Budget estimate for 1917-18 provides for sanctioned establishments and for some increase in the outlay on stationery.

REVENUE.

156 The Imperial revenue shown against "Other Provinces" represents recovery of the value of stationery supplied to railways and to municipalities and other local bodies.

Budget, 1917-18.

The decrease in the Budget estimate of Imperial revenue for 1917-18 as compared with the Revised estimate for the current year is due to the discontinuance of the supply of country made paper to State Railways through the Stationery department. The figures do not show any important variation in other respects.

XXIV AND 31.—EXCHANGE.

	Accounts, 1913-14.	Accounts, 1914-15.	Accounts, 1915-16.	1916-17.		Budget, 1917-18.
				Budget.	Revised.	
Revenue . . ₹	17,96,110	25,942	11,13,815	...	22,00,000	...
Equivalent in Sterling £	119,741	1,729	74,254	...	146,700	...
Expenditure . . ₹	...	...	...	...	...	...
Equivalent in Sterling £	...	...	...	...	...	...

157. This head normally records the comparatively small sums which have to be brought to account owing to the fact that the remittances from India to England by means of council bills and transfers, and the remittances in the opposite direction by sterling bills and transfers, are not effected exactly at the rate of 16 pence to the rupee. It may be mentioned that any gain derived from remittances on account of the Gold Standard Reserve is credited to the Reserve and not to general revenues.

158. In the current year, the average rate to be obtained on the net remittance of funds from India to England is estimated at £1=₹14·86 and there is accordingly a gain of ₹40 lakhs on this account. There has however been a loss from exchange of ₹18 lakhs in the provision of funds for political and military expenditure in Persia owing to a large increase in the amount of the expenditure as the result of war conditions and the heavy depreciation of the rupee in relation to the local kran. The net gain from exchange in the current year will accordingly amount to ₹22 lakhs. In the Budget estimate for the next year, it is assumed, in accordance with the usual practice, that remittances will be effected at an average rate of par and that there will be neither a gain nor a loss from exchange.

Revised, 1916-17.

Revised, 1916-17.

XXV AND 32.—MISCELLANEOUS.

EXPENDITURE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget. 1917-1918.
Imperial.						
1. Remittance charges mainly in connection with movements of Government funds	5,50,269	5,27,011	4,76,511	5,57,000	7,47,000	6,36,000
2. Special Commissions of enquiry	5,61,686	3,23,849	81,815	...	3,61,000	1,98,000
3. Charges arising out of the War adjusted in the Civil Department	...	1,15,204	9,61,419	4,69,000	8,70,000	6,04,000
4. Other charges:						
(*a*) in Delhi	38,386	88,170	42,081	1,08,000	60,000	1,00,000
(*b*) in the N.-W. Frontier Province	36,272	46,078	68,803	39,000	42,000	40,000
(*c*) elsewhere	33,13,006	15,73,432	5,55,300	19,49,000	13,61,000	6,23,000
Total	44,99,619	26,73,744	21,85,929	31,22,000	34,41,000	22,01,000
Provincial.						
1. Madras	5,22,297	4,19,234	4,72,977	4,32,000	4,27,000	4,38,000
2. Bombay	7,79,040	6,20,129	7,84,861	5,54,000	4,93,000	6,62,000
3. Bengal	5,87,418	4,38,208	6,38,467	12,28,000	3,77,000	11,09,000
4. United Provinces	4,41,144	2,26,402	3,31,528	5,71,000	2,43,000	6,16,000
5. Punjab	3,76,195	4,43,698	3,66,504	8,81,000	5,18,000	11,75,000
6. Burma	4,89,160	4,85,695	5,00,527	5,11,000	4,77,000	4,79,000
7. Bihar and Orissa	1,35,329	1,40,776	1,32,347	2,16,000	1,38,000	2,53,000
8. Central Provinces	1,25,805	1,62,041	1,55,930	1,26,000	1,34,000	1,84,000
9. Assam	3,82,123	4,23,223	5,22,429	5,13,000	5,66,000	5,66,000
Total	38,38,511	33,59,406	39,05,570	50,32,000	33,73,000	54,82,000
TOTAL INDIA ₹	33,38,130	60,33,150	60,91,499	81,54,000	68,14,000	76,83,000
Equivalent in Sterling £	555,875	402,210	406,100	543,600	454,200	512,200
England £	46,360	128,114	66,339	26,500	175,800	38,300
TOTAL £	602,225	530,324	472,439	570,100	630,000	550,500

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget. 1917-1918.
Imperial.						
1. India General	7,00,680	20,78,670	5,03,774	4,61,000	5,63,000	5,22,000
2. Delhi	36,383	45,390	39,675	41,000	3,27,000	1,87,000
3. Baluchistan	4,980	14,992	5,507	5,000	6,000	5,000
4. North-West Frontier	1,17,698	1,19,089	1,46,320	1,23,000	1,23,000	1,24,000
5. Other Provinces	8,47,150	4,43,531	7,11,401	5,94,000	10,37,000	5,04,000
TOTAL	17,06,891	27,01,672	14,06,677	12,24,000	20,56,000	13,42,000
Provincial.						
1. Madras	3,67,487	2,24,891	3,59,256	2,98,000	4,05,000	3,12,000
2. Bombay	82,637	1,02,969	1,22,590	81,000	2,17,000	1,08,000
3. Bengal	7,68,760	6,71,057	5,65,208	6,52,000	7,37,000	6,58,000
4. United Provinces	5,45,347	4,26,445	4,61,010	4,29,000	4,66,000	4,59,000
5. Punjab	6,35,691	4,17,971	4,29,630	3,60,000	4,81,000	5,46,000
6. Burma	73,337	74,187	1,70,546	80,000	85,000	87,000
7. Bihar and Orissa	2,64,766	4,03,161	3,12,385	2,85,000	2,25,000	2,38,000
8. Central Provinces	1,86,431	2,07,555	2,18,586	1,84,000	2,21,000	1,88,000
9. Assam	46,659	25,770	43,674	43,000	70,000	44,000
TOTAL	29,71,615	25,54,006	27,82,885	24,12,000	29,07,000	26,40,000
TOTAL INDIA ₹	46,78,506	52,55,678	41,89,562	36,36,000	49,63,000	39,82,000
Equivalent in Sterling £	311,901	350,378	279,304	242,400	330,900	265,500
England £	40,711	14,814	22,869	17,200	18,200	174,500
TOTAL £	352,612	365,192	302,173	259,600	349,100	440,000

159. Charges in connection with the remittance of Government treasure are Imperial in all provinces; so is the discount paid, or the premium levied, in connection with the sale of bills at treasuries and currency offices to facilitate trade remittances of funds. Extraordinary items of revenue realised, or of expenditure incurred, under this head in the various provinces are also treated as Imperial, if they exceed R10,000 in amount.

EXPENDITURE.

(*a*) *India—Imperial.*

160. The Revised estimate for 1916-17 exceeds the Budget by R3·19 lakhs. A sum of R10·02 lakhs has been entered provisionally for payment to the Mysore Durbar in connection with certain re-calculations of the debits in respect of education and sanitation charges in Bangalore which are now under consideration. An expenditure of R3·61 lakhs is expected on account of special commissions of enquiry, *viz.*, the Industrial Commission and the Criminal Procedure Code, Public Works Reorganisation and Law Officers' Committees. Outlay on the repatriation of hostile aliens and other miscellaneous items connected indirectly with the war will cause an excess of R4·01 lakhs over the Budget, while there will be a rise of R1·90 lakhs in the charges for remittance of treasure owing to heavy trade demands for rupees and low stocks in India which necessitated larger movements of coin. On the other hand, the bulk of the reserve of R15·50 lakhs (including R·50 lakh for Delhi) for unforeseen charges, which was provided in the Budget under Miscellaneous, has been appropriated to meet sanctioned outlay under other heads of account. *Revised, 1916-17.*

161. The Budget estimate for 1917-18 provides for normal charges; for miscellaneous expenditure connected with the war likely to be incurred in the ensuing year; and for the probable outlay on the commissions of enquiry mentioned in the preceding paragraph. *Budget, 1917-18.*

(*b*) *India—Provincial.*

162. The Revised estimate for 1916-17 is less than the Budget by R16·59 lakhs. The decrease is mainly due to the record under other heads of account of most of the expenditure incurred against the lump grants for grain compensation allowance and against the various other reserves which were included in the Budget estimates of several provinces under Miscellaneous; and to a lapse in the allotment for relief of distress in Bengal. On the other hand, a certain amount of excess expenditure has been incurred in the Punjab on account of grants to District Boards, the Budget provision for which was included under other heads of account, and in Assam for relief of distress caused by floods. *Revised, 1916-17.*

163. The Budget estimate for 1917-18 provides generally for normal charges and for the usual reserve for unforeseen expenditure in most provinces. In Bengal and the United Provinces, lump allotments have again been made for grain compensation charges. *Budget, 1917-18.*

(*c*) *England.*

164. The variations between the Budget and Revised estimates of the current year, and between the latter and the Budget estimate for the next year, occur in the miscellaneous expenditure connected with the supply of stores to India.

REVENUE.

(*a*) *India—Imperial.*

Revised, 1916-17. 165. The Revised estimate for 1916-17 exceeds the Budget by R8·32 lakhs. The increase occurs mainly in the special receipts from the sale of town sites in the Punjab and from the lease of nazul sites in Delhi. The *Budget, 1917-18.* Budget estimate for 1917-18 provides generally for normal receipts.

(*b*) *India—Provincial.*

Revised, 1916-17. 166. The total revenue in 1916-17 is likely to exceed the Budget estimate by R4·95 lakhs. The increase is mainly due to the credit to revenue of unadjusted balances of accounts relating to certain advances in Bombay, refunds of temporary contributions given to local bodies in Madras and sale-*Budget, 1917-18.* proceeds of manufactures by weavers in receipt of relief in Bengal. The Budget estimate for 1917-18 provides generally for normal receipts; and for a special refund in the Punjab of R1 lakh from the Imperial Relief fund in respect of a grant made to it in 1914-15 for starting cheap grain shops, which was not actually utilised.

(*c*) *England.*

Budget, 1917-18. 167. The increase in the Budget estimate for 1917-18 over the Revised for the current year is due to the appropriation as revenue of the profits from the wheat scheme of 1915. A corresponding provision for expenditure has been entered in India in the Budget estimate for the next year, *vide* paragraphs 136 and 137.

33 TO 36.—FAMINE RELIEF AND INSURANCE.

	Accounts, 1913-14.	Accounts, 1914-15.	Accounts, 1915-16.	1916-17.		Budget, 1917-18.
				Budget.	Revised.	
INDIA.						
Famine Relief { Imperial	23,62,671	26,43,201	9,61,881	6,94,000	21,62,000	6,33,000
Famine Relief { Provincial	...	15,55,076	1,58,539	...	7,28,000	2,11,000
Construction of Protective Railways	1,17,532	—19,669	—2,896	—10,000	—9,000	—8,000
Construction of Protective Irrigation Works	71,28,997	72,46,125	74,19,436	61,84,000	51,50,000	60,24,000
Reduction or Avoidance of Debt	51,37,329	33,01,723	63,79,580	78,16,000	69,36,000	78,64,000
TOTAL INDIA ₹	1,47,46,529	1,47,26,456	1,49,16,540	1,46,84,000	1,49,67,000	1,47,24,000
Equivalent in Sterling £	983,102	981,764	994,436	978,900	997,800	981,600
ENGLAND.						
Construction of Protective Railways	741	...	...	...	...	...
Construction of Protective Irrigation Works.	16,157	18,236	5,564	21,100	2,200	18,400
TOTAL INDIA AND ENGLAND	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

168. The expenditure in the current year under the head Famine Relief is now estimated at ₹28·90 lakhs, the principal items being an outlay of (1) ₹13 lakhs in the Punjab and ₹4·23 lakhs in Ajmer-Merwara in connection with fodder concessions, and (2) ₹7·15 lakhs in Bengal and ₹2·25 lakhs in Bihar and Orissa on relief operations in certain districts. *Revised, 1916-17.*

169. The amount available for famine insurance in 1916-17 accordingly amounts to ₹121·10 lakhs of which ₹51·74 lakhs will be spent on protective works and ₹69·36 lakhs will be appropriated for the reduction or avoidance of debt.

170. In the Budget estimate for 1917-18 provision has been made as usual for a total grant of ₹150 lakhs under this group head. Out of this amount, a sum of ₹8·44 lakhs will be required to meet expenditure debitable to the head Famine Relief in connection mainly with fodder concessions in the Punjab and relief operations in Bihar and Orissa, and ₹62·92 lakhs have been allotted for the construction of protective works. The remainder, *viz.*, ₹78·64 lakhs, will be utilised for the avoidance of debt. *Budget, 1917-18.*

171. It has been decided, with effect from the 1st April 1917, to treat famine relief expenditure in all provinces as divisible between Imperial and Provincial revenues in the proportion of $\frac{3}{4}$ and $\frac{1}{4}$ respectively, the existing arrangements in regard to the maintenance of separate *pro formâ* accounts for such expenditure with the consequential account adjustments being discontinued. The entire sum of ₹78·64 lakhs stated above as available for the reduction or avoidance of debt in 1917-18 will therefore appear in the Imperial section of the estimates.

Construction of Protective Railways.

172. The small *minus* figures entered in the Revised estimate for 1916-17 and in the Budget for 1917-18 represent the value of surplus stores of the Dharmapuri-Hosur extension of the Morappur-Dharmapuri Railway. No outlay on the construction of Protective railways is contemplated in either of the two years.

Construction of Protective Irrigation Works.

Revised, 1916-17.

173. In the Budget estimate for 1916-17 an allotment of R65 lakhs was made for outlay on Protective Irrigation works, the whole amount being met from the Famine Insurance grant. The probable expenditure, according to the Revised estimate, will amount to R51·83 lakhs owing mainly to slower progress of work on the Nira Right Bank canal in Bombay and the Tandula canal and certain tank projects in the Central Provinces. The entire outlay will be recorded in the Famine Relief and Insurance section of the accounts.

Budget, 1917-18.

174. In the Budget estimate for 1917-18, the allotment for Protective Irrigation works is taken at R63 lakhs, the whole amount being met from the Famine Insurance grant. The distribution of the grant of R63 lakhs is given in the table below.

	1916-17.		Budget 1917-18.
	Budget.	Revised.	
	R	R	R
1. Madras:			
(i) Mopad project	2,48,000	2,26,000	2,70,000
(ii) Other projects	59,000	53,000	47,000
2. Bombay:			
(i) Godaveri Canal	1,58,000	1,46,000	63,000
(ii) Chankapur Tank	92,000	23,000	55,000
(iii) Pravara river project	8,24,000	8,00,000	8,83,000
(iv) Nira Right Bank Canal	26,57,000	16,08,000	21,19,000
(v) Other projects, etc.	1,09,000	76,000	1,80,000
3. Bengal	2,000	2,000	1,000
4. United Provinces:			
(i) Barwar Lake and Canal	57,000	30,000	1,87,000
(ii) Ken Canal (including Gangao dam)	72,000	84,000	12,000
(iii) Dassan „	23,000	40,000	31,000
(iv) Ghaggar „	6,26,000	6,65,000	3,75,000
(v) Other projects, etc.	1,22,000	62,000	95,000
5 Bihar:			
(i) Tribeni Canal	60,000	84,000	2,16,000
(ii) Other projects, etc.	24,000	18,000	9,000
6. Central Provinces:			
(i) Tandula Canal	9,31,000	7,16,000	10,34,000
(ii) Tank projects	5,21,000	3,62,000	7,86,000
(iii) Other projects, etc.	2,08,000	1,83,000	1,30,000
7. Minor administrations	7,000	5,000	7,000
Deduct—Allowance for possible lapses in grants	*3,00,000*	...	*2,00,000*
TOTAL	65,00,000	51,83,000	63,00,000

XXVI to XXVIII and 38 to 41—RAILWAY REVENUE ACCOUNT.

	Accounts, 1913-14.	Accounts, 1914-15.	Accounts, 1915-16.	1916-17.		Budget, 1917-18.
				Budget.	Revised.	
STATE RAILWAYS—	R	R	R	R	R	R
Gross Receipts	56,31,92,029	54,15,77,506	57,26,42,888	56,36,70,000	62,37,22,000‖	62,75,89,000
Deduct—						
Working Expenses	29,35,91,182	29,52,37,164	29,53,00,146	30,13,20,000	29,91,00,000	31,35,00,000
Surplus profits paid to Companies, etc.	66,12,854	1,03,63,467	90,57,411	93,00,000	1,13,02,000	1,17,00,000
Net Receipts	26,29,87,993	23,59,26,875	26,82,85,331	25,30,50,000	31,32,40,000	30,23,89,000
Net Revenue equivalent at R15=£1	£ 17,532,533	£ 15,728,458	£ 17,885,689	£ 16,869,900	£ 20,882,700	£ 20,159,200
Interest and capital redemption charges—						
Interest on Debt	6,887,842	7,814,441	7,923,670	8,050,000	7,966,200	8,034,400
Annuities in purchase of Railways	3,379,581	3,357,665	3,357,691	3,357,700	3,357,700	3,357,700
Sinking Funds	191,707	199,554	208,893	217,700	323,600	230,000
Interest chargeable against Companies on advances	415,303	97,773	98,953	98,700	98,500	98,300
Interest on Capital deposited by Companies	1,952,416	1,986,467	2,131,862	2,231,700	2,226,600	2,275,600
	12,826,849	13,455,900	13,721,069	13,955,800	13,972,600	13,996,000
Net Result	4,705,684	2,272,558	4,164,620	2,914,100	6,910,100	6,163,200
Other Receipts	93,101	70,691	91,414	85,100	98,900	93,800
Other Charges	9,252	185,215	180,596	261,300	212,700	151,400
Net Result	83,849	—114,524	—89,182	—176,200	—113,800	— 57,600
TOTAL NET RESULT	4,789,533	2,158,034	4,075,438	2,737,900	6,796,300	6,105,600
Redemption of capital from revenue	869,165	898,776	929,426	961,160	961,160	994,013
STATISTICS—						
State Railways—						
Capital Expenditure to March 31st—						
Expenditure by Government*	214,768,922	236,266,689†	237,571,142	240,361,722	238,865,942	242,091,142
Expenditure by Companies	41,510,962	29,078,860†	28,794,278	29,355,749	29,011,078	29,386,578
Outlay on the East Indian Railway from Debentures raised by the Company	14,587,268	14,587,268	18,046,847	18,046,868	18,046,847	18,046,847
Outlay on the South Indian Railway by the Company	1,513,816	3,809,060	3,809,060	3,809,060	3,809,060	3,809,060
Outlay on the Bombay, Baroda and Central India Railway by the Company	1,007,364	1,080,697	1,093,364	1,123,364	1,093,364	1,093,364
Outlay on the Great Indian Peninsula Railway by the Company	3,253,158	3,253,158	3,253,158	3,253,158	3,253,158	3,253,158
TOTAL	276,641,490	288,075,732	292,567,849	295,949,921	294,079,449	297,680,449
Miles open on the 1st April	25,437	26,106	26,369	26,511	26,433	26,580

* The figures against this line include contribution by the Jaipur Darbar towards Capital outlay on the Nagda-Muttra Railway, as follows:—

£	£	£	£	£	£
266,667	333,333	400,000	466,667	466,667	533,333

† The overdraft of, and advances to, the Bengal-Nagpur Railway Company amounting to £13,451,400 on the 31st December 1910 have been transferred in the accounts of 1914-15, from "expenditure by companies" to "expenditure by Government".

175. The Gross Receipts and Working Expenses of State Railways include the following figures on account of the Jorhat State Railway in Assam. This is the only line the transactions of which are recorded in the Provincial section of the accounts :—

	Accounts, 1913-14.	Accounts, 1914-15.	Accounts, 1915-16.	Budget, 1916-17.	Revised, 1916-17.	Budget, 1917-18.
	R	R	R	R	R	R
Gross Receipts . . .	1,23,805	1,27,545	1,53,781	1,40,000	1,44,000	1,51,000
Working Expenses . . .	89,499	1,27,109	1,01,834	1,08,000	1,00,000	1,21,000

Revised, 1916-17.

Gross Receipts.

176. The Budget estimate of Gross Receipts for 1916-17 was taken at R56·37 crores, or about R79 lakhs lower than the probable receipts of the previous year as then estimated. It was assumed that, with the continuance of the war in the current year, the record earnings of 1915-16 would not be fully maintained, though necessary allowance was made for development of traffic on new lines and extensions of recent construction. The results have, however, proved much more favourable than was anticipated, and the Revised estimate is now placed at R62·37 crores, or R6 crores higher than the Budget. This substantial increase is contributed by all the principal railways. It is partly, however, attributable to larger receipts from the carriage of troops and military stores, and to the diversion to rail routes, consequent on the shortage of steamers and the high freights ruling, of traffic which was formerly sea-borne. The improvement would have been larger but for the restriction of bookings on certain railways, notably the Great Indian Peninsula and North-Western Railways, owing to a temporary stoppage in the supply of coal for locomotive purposes

Working. Expenses.

177. The Revised estimate of Working Expenses for 1916-17 stands at R22·20 lakhs below the Budget estimate, a remarkable result considering that receipts are expected to exceed the Budget by R6 crores. The cause of the reduction is to be found in the increasing difficulty of obtaining railway material from England in consequence of which repairs and renewals of permanent-way and rolling-stock have been considerably restricted.

Surplus Profits.

178. The increase of R20·82 lakhs in the provision for payment of surplus profits to companies follows on the improvement in their net traffic receipts in the last quarter of the preceding year.

Budget, 1917-18.

179. It has been decided to levy a surcharge on goods traffic carried by railways and inland steam vessels, with effect from the 1st April 1917, at the rate of 1 pie per maund on coal, coke and firewood and 2 pies per maund on other articles. The proceeds of the surcharge during 1917-18 are estimated at £500,000 (R75 lakhs).

Gross Receipts.

180. Apart from the surcharge mentioned in the preceding paragraph, the Budget estimate of Gross Receipts for 1917-18 is taken at R62·01 crores, or about R36 lakhs below the Revised estimate of the current year. It is anticipated that the reductions recently effected in passenger train services will result in some diminution of earnings, and generally that the favourable circumstances of the current year may not be wholly repeated, but that this will be counterbalanced, to a certain extent, by normal development of goods traffic and additional earnings from new lines and extensions of recent construction.

Working Expenses.

181. The grant for Working Expenses in 1917-18 is more than the Revised for the current year by R144 lakhs, and provides for a larger programme of special repairs and renewals than in the current year.

Surplus Profits.

182. Under Surplus Profits paid to companies there is an increase of R3·18 lakhs due to the profits earned in the second half of the current year, payment of which will be made next year, being larger than those of the second half of 1915-16.

Interest Charges, etc.

Revised, 1916-17.

183. The decrease under Interest on debt is explained in paragraph 76. The excess under sinking funds is due to the re-investment of the proceeds of the sale of securities the realisation of which was not contemplated in the Budget.

The increase in the total Interest charges in 1917-18 is a result of the continued growth of capital outlay on railways. *Budget, 1917-18.*

Other Receipts.

184. The receipts shown under this head represent recoveries from the Travancore Durbar of its share of the loss on the Travancore branch of the South Indian Railway; the Government share of the surplus profits of the Rohilkund and Kumaon, Southern Punjab, Amritsar-Patti and Hardwar-Dehra Railways, payable under the terms of their respective contracts, and dividends on certain shares of the Ahmedabad-Dholka Railway allotted to Government in repayment of expenditure incurred by it on behalf of the railway. The improvement of £13,800 on the Budget estimate of receipts in the current year and the decrease of £5,100 provided for in the Budget of 1917-18 are mainly due to variations in the recovery from the Travancore Durbar and in the Government share of surplus profits of the Southern Punjab Railway Company. *Revised, 1916-17.* *Budget, 1917-18.*

Other charges.

185. These consist of cost of land required by certain Companies, the contracts with which provide for the free supply of all land wanted for the purposes of the railways undertaken by them, and of miscellaneous items such as surveys and controlling establishments (including the Railway Board). A share of the cost of control is charged to the working expenses of each Railway Company and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The figures are:—

		Accounts, 1915-16.	1916-17.		1917-18.
			Budget.	Revised.	Budget.
Imperial.		₹	₹	₹	₹
1. Subsidised Companies—Land		24,30,669	35,00,000	29,61,000	19,00,000
2. Miscellaneous Expenditure		2,55,889	4,00,000	2,11,000	3,55,000
Provincial.					
1. Subsidised Companies—Land		9,965	15,000	14,000	10,000
2. Miscellaneous Expenditure		12,424	5,000	5,000	5,000
TOTAL	₹	27,08,947	39,20,000	31,91,000	22,70,000
	£	180,596	261,300	212,700	151,400

Land—A lapse of ₹5·39 lakhs is expected in the Imperial Budget grant for the current year, due chiefly to short outlay on the Ahmedpur-Katwa, Bankura-Damoodar River, Kalighat-Fulta and Nawashahr-Jaijon Extension Railways and to the postponement of acquisition of land for the Larkhana-Jacobabad, Mardan-Charsadda-Swabi, Mayaveram-Tranquebar and Salem-Attur Railways, partly counterbalanced by increases on the Mymensingh-Bhairab Bazar, Sara-Serajgunj, Katakhal-Lalla Bazar, Futwa-Islampur, Chaparmukh-Silghat and Southern Punjab Railways. The principal allotments made in 1917-18 are for the Kalighat-Fulta, Mymensingh-Bhairab Bazar, Khulna-Bagirhat, Chapermukh-Silghat and Mayavaram-Tranquebar Railways. *Revised, 1916-17.* *Budget, 1917-18.*

Miscellaneous Expenditure.—The lapse in the Revised estimate for 1916-17, is due chiefly to survey operations being restricted in consequence of officers having been placed on military duty and to realisation of unanticipated credits. The Budget for 1917-18 is made up as follows:— *Revised, 1916-17.* *Budget, 1917-18.*

	₹
Allotment for surveys	6,06,000
Charges for Railway Board and other establishments	13,87,000
Deduct—Recoveries from Railway Companies on account of cost of supervision	*16,38,000*
TOTAL	3,55,000

XXIX—XXX AND 42, 42-A and 43.—IRRIGATION.

IRRIGATION.	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
MAJOR WORKS.	R	R	R	R	R	R
Revenue { Direct Receipts .	4,14,89,485	4,13,77,353	4,10,69,852	4,29,59,000	4,38,08,000	4,45,83,000
Revenue { Land Revenue .	2,52,65,614	2,50,17,962	2,66,05,805	2,54,05,000	2,61,34,000	2,78,73,000
Expenditure { Working Expenses .	1,82,16,430	1,93,40,897	2,06,23,801	2,05,12,000	2,05,04,000	2,08,69,000
Expenditure { Interest .	1,77,92,499	1,92,62,258	1,98,60,762	2,07,28,000	2,04,59,000	2,09,64,000
NET REVENUE IN INDIA . . R	3,07,46,170	2,77,92,160	2,71,91,094	2,71,24,000	2,89,79,000	3,06,23,000
Equivalent in Sterling £	2,049,744	1,852,811	1,812,740	1,808,300	1,931,900	2,041,500
Expenditure in England (mainly Interest) . £	118,693	125,379	127,299	127,600	128,100	128,600
NET REVENUE . £	1,931,051	1,727,432	1,685,441	1,680,700	1,803,800	1,912,900
CONSTRUCTION OF PROTECTIVE WORKS . £	83,689	59,863	12,632	...	...	....
MINOR WORKS.						
Receipts—Direct . .	39,42,289	38,19,224	40,10,525	41,97,000	45,51,000	44,23,000
Expenditure . .	1,39,15,998	1,49,28,446	1,32,28,564	1,34,09,000	1,22,87,000	1,37,50,000
NET EXPENDITURE IN INDIA . . . R	99,73,709	1,11,09,222	92,18,039	92,12,000	77,36,000	93,27,000
Equivalent in Sterling £	664,914	740,615	614,536	614,200	515,800	621,800
Expenditure in England £	1,156	253	290	...	500	...
NET EXPENDITURE £	666,070	740,868	614,826	614,200	516,300	621,800
STATISTICS OF MAJOR WORKS.						
Capital Outlay to March 31 . . . R	59,16,14,071	61,68,30,309	63,68,44,884	65,78,39,000	65,06,19,884	66,56,63,884
Equivalent in Sterling £	39,440,938	41,122,020	42,456,326	43,856,000	43,374,626	44,377,526

General Result.

186. Taking India as a whole, the net revenue derived from Major Irrigation works in 1916-17 will exceed the Budget forecast by £123,100 (R18·47 lakhs).

Major Irrigation.

There will be a rise of R8·49 lakhs in the Direct Receipts and of R7·29 lakhs in the share of Land Revenue. There will also be a saving of R2·69 lakhs in the expenditure, *viz.*, R·08 lakh under Working Expenses and R2·61 lakhs in the interest charges. A further improvement of £109,100 (R16·36 lakhs) is expected in the net revenue in 1917-18. This allows for a rise of R25·14 lakhs in the gross revenue, made up of an increase of R7·75 lakhs in the Direct Receipts and of R17·39 lakhs in the share of Land Revenue. But a higher provision of R3·65 lakhs has been made for Working Expenses and there will also be a large growth of R5·13 lakhs in the interest charges, in consequence of the considerable outlay that has recently been incurred on new projects in the Punjab and elsewhere, the benefits of which will not be realised

Minor Irrigation.

for some time to come. The net result under Minor Irrigation works in 1916-17 is better than the Budget estimate by £97,900 (R14·69 lakhs), the result of an increase of R3 54 lakhs in revenue and a saving of R11·15 lakhs in expenditure. The estimate for next year provides for a fall of R1·28 lakhs in the receipts and for a rise of R14·55 lakhs in expenditure.

187. The figures for Land Revenue due to Irrigation have already been examined in paragraphs 12 and 13 along with those for Land Revenue proper. The details of the other heads are exhibited in the following tables.

XXIX AND 42.—MAJOR WORKS.

Direct Receipts.

IRRIGATION.	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. North-West Frontier	8,51,212	8,24,856	8,11,044	9,50,000	9,68,000	13,11,000
2. United Provinces .	4,44,386	2,68,,03	5,46,513	5,25,000	4,77,000	4,29,000
3. Burma . .	12,43,922	11,14,152	13,90,045	12,73,000	12,95,000	17,18,000
4. Central Provinces .	1,39,771	98,812	97,982	1,63,000	1,45,000	2,06,000
Total .	26,79,291	23,06,523	28,45,584	29,11,000	28,85,000	36,64,000
Divided and Provincial.						
1. Madras . .	2,65,374	3,00,239	2,94,368	2,77,000	3,10,000	3,01,000
2. Bombay . .	17,40,211	16,85,235	16,11,897	16,72,000	15,50,000	16,65,000
3. Bengal . . .	2,46,579	2,53,962	2,78,079	2,57,000	2,90,000	2,68,000
4. United Provinces .	93,25,086	99,87,724	95,14,391	96,70,000	97,17,000	90,32,000
5. Punjab . .	2,46,57,424	2,43,97,210	2,38,05,079	2,55,00,000	2,65,56,000	2,71,03,000
6. Bihar and Orissa .	25,75,520	24,46,400	27,20,452	26,72,000	25,00,000	25,00,000
Total .	3,88,10,194	3,90,70,330	3,82,24,268	4,00,48,000	4,09,23,000	4,09,19,000
TOTAL ₹	4,14,89,485	4,13,77,353	4,10,69,852	4,29,59,000	4,38,08,000	4,45,83,000
Equivalent in Sterling £	2,765,966	2,758,490	2,737,991	2,864,000	2,920,500	2,972,200

WORKING EXPENSES.

Imperial.						
1. North-West Frontier	3,03,887	3,44,400	6,23,431	6,05,000	6,84,000	6,95,000
2. United Provinces .	4,64,160	4,46,691	4,72,541	4,30,000	4,49,000	5,00,000
3. Burma . . .	4,45,896	9,30,825	5,90,091	5,80,000	6,00,000	7,50,000
4. Central Provinces .	75,429	77,880	87,118	85,000	1,28,000	2,15,000
Total .	12,89,372	18,05,796	17,73,781	17,00,000	18,61,000	21,60,000
Divided and Provincial.						
1. Madras . .	23,77,656	25,16,067	22,36,368	22,50,000	20,00,000	22,50,000
2. Bombay . .	16,68,166	15,20,155	15,79,263	15,42,000	16,16,000	16,55,000
3. Bengal . . .	2,97,789	2,57,700	1,96,022	1,90,000	1,74,000	1,[illegible],000
4. United Provinces .	29,60,062	30,17,065	29,70,190	30,45,000	29,54,000	30,42,000
5. Punjab . .	83,21,486	87,97,090	1,03,50,778	1,03,00,000	1,04,15,000	1,00,96,000
6. Bihar and Orissa .	13,01,899	14,21,024	15,17,399	14,85,000	14,84,000	14,96,000
Total .	1,69,27,058	1,75,35,101	1,88,50,020	1,88,12,000	1,86,43,000	1,87,09,000
TOTAL INDIA ₹	1,82,16,000	1,93,40,897	2,06,23,801	2,05,12,000	2,05,04,000	2,08,69,000
Equivalent in Sterling £	1,214,429	1,289,393	1,374,920	1,367,500	1,367,000	1,391,300
England . . £	14	...	...	...	...	...
Total .	1,214,443	1,289,393	1,374,920	1,367,500	1,367,000	1,391,300

Direct Receipts.

(a) *Imperial.*

Revised, 1916-17. 188. The Revised estimate for 1916-17 does not differ materially from the
Budget, 1917-18. Budget. The Budget estimate for 1917-18 is taken at R7·79 lakhs more than the current year's Revised, the increase being due to provision for receipts from the Twante Canal in Burma, which was recently completed, and to an anticipated development of irrigation on the Upper Swat River Canal in the North-West Frontier Province.

(b) *Divided and wholly Provincial.*

Revised, 1916-17. 189. The Revised estimate for 1916-17 will exceed the Budget by R8·75 lakhs. A considerable increase of R10·56 lakhs is anticipated in the Punjab owing to an abnormal demand for water from the Sirhind and the Upper Chenab Canals during both the *rabi* and *kharif* seasons, due in the former case to the unsatisfactory winter rains. On the other hand, there will be a decline in revenue in Bihar and Orissa (R1·72 lakhs) in consequence of a smaller demand for irrigation following on a seasonable rainfall, and in Bombay (R1·22 lakhs) due to a reduction in the supplies of water available for irrigation from some of the canals in the province.

Budget, 1917-18. 190. The Budget estimate for 1917-18 does not differ materially from the Revised for 1916-17. It is based generally on the demand for *rabi* irrigation in the current year and on normal requirements in connection with next year's *kharif*. A further increase of R5·47 lakhs is anticipated in the Punjab mainly owing to the development of irrigation from the projects recently completed, but there will be a fall of R6·35 lakhs in the United Provinces, the exceptionally favourable south-west monsoon of 1916 having reduced the demand for canal water in connection with the *rabi* sowings.

Working Expense.

(a) *Imperial.*

Revised, 1916-17. 191. The total expenditure in 1916-17 is likely to exceed the Budget provision by R1·61 lakhs, the increase being mainly due to larger outlay on repairs necessitated by floods on the Upper Swat River canal in the North-West Frontier Province. Small excesses over the Budget are also expected on the Imperial canals in other provinces.

Budget, 1917-18. 192. The Budget estimate for 1917-18 is R2·99 lakhs more than the Revised for the current year. It provides for outlay on extensions and improvements on the Twante canal in Burma, for the maintenance of the Tandula canal in the Central Provinces which is expected to come into operation during the next year, and for normal charges on other irrigation systems.

(b) *Divided and wholly Provincial.*

Revised, 1916-17. 193. The Revised estimate for 1916-17 will fall short of the Budget provision by R1·69 lakhs. A lapse of R2·50 lakhs is expected in Madras owing to the retardation of work by abnormal rains and to credits from the Military department on account of a steamer and barges taken over for military purposes; and of R·91 lakh in the United Provinces due to a curtailment of the programme of work in view of the need for economy. On the other hand, the expenditure will exceed the Budget grant by R1·15 lakhs in the Punjab owing to repairs necessitated by heavy rains and by R·74 lakh in Bombay.

Budget, 1917-18. 194. The Budget estimate for 1917-18 provides generally for a normal scale of expenditure. An allotment has been made in Madras for the replacement of the barges transferred to the Military department in the current year.

42A.—EXPENDITURE ON PROTECTIVE IRRIGATION WORKS IN ADDITION TO THAT CHARGED UNDER FAMINE RELIEF AND INSURANCE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
				Budget.	Revised.	
India . . R	12,55,344	8,97,948	1,89,478	...	...	...
Equivalent in Sterling £	83,689	59,863	12,632	...	...	...

195. No supplementary expenditure on protective irrigation works is anticipated under this head either in the current or the next year, as explained in paragraphs 173 and 174.

XXX AND 43.—MINOR WORKS AND NAVIGATION.

Revenue.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General .	21,643	14,597	16,907	18,000	16,000	29,000
2. Delhi . . .	1,367	837	1,384	1,000	3,000	3,000
3. Baluchistan . .	66,734	64,769	21,784	65,000	80,000	38,000
4. Punjab . .	9,02,661	9,28,866	8,89,685	9,75,000	9,37,000	9,42,000
Total .	9,92,405	10,09,069	9,29,760	10,59,000	10,36,000	10,12,000
Divided and Provincial.						
1. Madras . . .	2,52,323	2,28,844	2,59,506	2,29,000	2,68,000	2,54,000
2. Bombay . .	3,78,401	3,76,968	3,36,511	3,75,000	3,40,000	3,75,000
3. Bengal . .	6,13,082	5,35,916	6,80,544	6,70,000	8,26,000	8,10,000
4. United Provinces .	1,32,409	1,88,426	1,98,639	2,36,000	2,93,000	2,49,000
5. Punjab . . .	76,040	53,117	67,070	92,000	88,000	96,000
6. Burma . . .	13,68,741	13,02,403	14,23,781	14,13,000	15,01,000	15,00,000
7. Bihar and Orissa .	72,167	72,583	67,098	72,000	70,000	70,000
8. Central Provinces .	56,221	51,898	47,616	51,000	57,000	57,000
9. Assam . . .	...	...	...	...	72,000	...
Total .	29,49,884	28,10,155	30,80,765	31,38,000	35,15,000	34,11,000
TOTAL R	39,42,289	38,19,224	40,10,525	41,97,000	45,51,000	44,23,000
Equivalent in Sterling £	262,819	254,615	267,368	279,800	303,400	294,900

Expenditure.

Imperial.						
1. India General .	59,962	52,022	71,792	3,70,000	69,000	4,33,000
2. Delhi . . .	898	1,198	1,043	1,000	1,000	1,000
3. Baluchistan . .	3,84,187	3,02,477	2,84,076	1,36,000	2,97,000	1,36,000
4. North-West Frontier	52,654	43,475	33,282	64,000	47,000	49,000
5. Punjab . . .	9,39,520	9,98,049	9,11,895	8,80,000	9,10,000	8,67,000
Total .	14,37,221	13,97,221	13,02,088	14,51,000	13,24,000	14,86,000
Divided and Provincial.						
1. Madras . . .	40,22,399	44,09,655	38,17,049	40,00,000	35,25,000	41,00,000
2. Bombay . .	35,27,767	31,69,245	30,89,517	33,10,000	28,24,000	31,22,000
3. Bengal . .	19,26,421	27,61,008	22,96,494	20,94,000	21,10,000	22,43,000
4. United Provinces .	4,45,070	5,02,805	4,01,417	2,96,000	3,94,000	2,76,000
5. Punjab . . .	2,82,970	1,82,198	2,02,446	1,86,000	2,71,000	3,55,000
6. Burma . . .	10,95,549	11,94,795	11,62,984	10,56,000	11,18,000	12,29,000
7. Bihar and Orissa .	4,89,670	3,37,090	2,83,550	3,60,000	2,72,000	3,43,000
8. Central Provinces .	5,73,720	9,06,739	5,77,173	6,00,000	3,93,000	5,56,000
9. Assam . . .	1,15,211	67,700	95,846	56,000	56,000	40,000
Total .	1,24,78,777	1,35,31,225	1,19,26,476	1,19,58,000	1,09,63,000	1,22,64,000
TOTAL INDIA R	1,39,15,998	1,49,28,446	1,32,28,564	1,34,09,000	1,22,87,000	1,37,50,000
Equivalent in Sterling £	927,733	995,230	881,904	894,000	819,100	916,600
England . . £	1,156	253	290	...	500	...
GRAND TOTAL £	928,889	995,483	882,194	894,000	819,600	916,600

REVENUE.

(*a*) *Imperial.*

196. The figures do not show any important variation.

(*b*) *Divided and Provincial.*

197. The total Revised estimate for 1916-17 exceeds the Budget by R3·77 lakhs. There will be an increase of R1·56 lakhs in the receipts from the Madaripur Bhil route in Bengal due to increased traffic in jute. There will also be minor improvements in Burma, the United Provinces and Madras due generally to a development in canal irrigation, while a special receipt of R·72 lakh is anticipated in Assam from the recovery of the cost of river craft commandeered for service in Mesopotamia. The Budget estimate for 1917-18 generally repeats the Revised for the current year. *Revised, 1916-17.* *Budget, 1917-18.*

EXPENDITURE.

(*a*) *Imperial—India and England.*

198. The Budget estimate of the current year included a grant of R2·89 lakhs in aid of special expenditure entailed by the recommendations of the Irrigation Commission. R1·53 lakhs out of this grant are being spent on the Surkhab River project in Baluchistan and R·30 lakh on urgent works on the Chenab and Muzaffargarh Inundation Canals, while R·84 lakh has been allotted to the Government of the United Provinces for tank restoration works and placed at its credit by an assignment of Imperial revenue (*vide* paragraph 245). The balance of the special grant will lapse. With petty variations in the grants for Imperial expenditure in other provinces, the Revised estimate for the current year is expected to fall short of the Budget by R1·20 lakhs. *Revised, 1916-17.*

199. The Budget estimate for 1917-18 exceeds the current year's Revised by R1·55 lakhs. Provision for new works has been curtailed as far as possible and no specific allotment has been made for the Surkhab River project in Baluchistan, but a reserve of R3·45 lakhs has been entered to meet pressing requirements which cannot be foreseen at present. *Budget, 1917-18.*

(*b*) *Divided and Provincial.*

200. The Revised estimate for 1916-17 falls short of the Budget grant by R9·95 lakhs. Lapses in grants are anticipated in Madras, Bombay, the Central Provinces and Bihar and Orissa owing either to the curtailment of programmes in view of the need for economy or the retardation of work by heavy rainfall. On the other hand, an excess of R·98 lakh is anticipated in the United Provinces, due to expenditure on tank restoration works which is being financed largely by a special assignment from Imperial revenues (*vide* paragraph 198), and smaller excesses in the Punjab and Burma where it has been necessary to undertake some works which could not be foreseen. *Revised, 1916-17.*

201. The Budget estimate for 1917-18 is taken at R13·01 lakhs more than the Revised for the current year. Provision has generally been made for sanctioned establishments, for necessary repairs and for urgent works. An allotment of R2·50 lakhs has been made in Bengal for schemes of flood protection in the Burdwan Division which has in recent years suffered seriously from floods, and of R1 lakh in Madras for repairs to damages caused by the cyclone in the current year and for two new schemes of expenditure in Burma. *Budget, 1917-18.*

44.—CONSTRUCTION OF RAILWAYS CHARGED TO PROVINCIAL REVENUES.

		Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		Budget, 1917-1918.
					Budget.	Revised.	
Provincial.							
Assam	R	21,213	6,887	18,950	26,000	35,000	23,000
	£	1,414	459	1,263	1,700	2,300	1,500

202. The charges represent capital outlay in connection with the Jorhat Railway and are unimportant in character.

XXXI and 45.—CIVIL WORKS.

EXPENDITURE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General .	26,95,783	27,82,721	23,36,211	28,50,000	21,58,000	30,23,000
2. Delhi . . .	21,17,630	19,37,563	17,59,694	12,56,000	17,35,000	14,10,000
3. Baluchistan . .	11,62,343	11,02,585	8,80,280	9,51,000	8,91,000	9,57,000
4. North-West Frontier	34,62,786	32,21,382	25,56,806	24,12,000	23,19,000	27,62,000
5. Other Provinces .	49,25,688	53,74,058	47,99,736	35,08,000	33,01,000	50,04,000
Total .	1,43,64,230	1,44,18,309	1,23,32,727	1,09,77,000	1,04,04,000	1,31,56,000
Provincial.						
1. Madras . .	1,64,89,730	1,63,04,790	87,00,566	82,69,000	79,54,000	84,02,000
2. Bombay . .	1,19,03,975	1,13,51,206	85,70,316	77,54,000	78,39,000	98,14,000
3. Bengal . .	1,02,18,648	1,24,73,724	89,34,903	64,00,000	64,02,000	77,95,000
4. United Provinces .	90,03,926	76,16,110	73,14,591	62,80,000	67,96,000	62,52,000
5. Punjab . .	96,94,507	91,62,795	65,46,792	53,85,000	51,58,000	67,30,000
6. Burma . . .	1,01,11,603	1,16,36,015	88,97,194	92,26,000	81,76,000	1,10,23,000
7. Bihar and Orissa .	83,23,760	99,64,909	88,43,005	70,59,000	70,74,000	80,13,000
8. Central Provinces .	68,83,785	79,43,260	68,95,387	58,00,000	61,89,000	74,19,000
9. Assam . . .	66,17,426	54,64,048	39,69,319	33,95,000	34,40,000	36,92,000
Total .	8,92,47,360	9,19,16,357	6,86,72,073	5,95,68,000	5,90,28,000	6,91,40,000
TOTAL INDIA . ₹	10,36,11,590	10,63,35,166	8,10,04,800	7,05,45,000	6,94,32,000	8,22,96,000
Equivalent in Sterling £	6,907,440	7,089,011	5,400,320	4,703,000	4,628,800	5,486,400
England . . . ‘	101,184	87,739	50,144	39,500	52,000	56,900
TOTAL . £	7,008,624	7,176,750	5,450,464	4,742,500	4,680,800	5,543,300

REVENUE.

	Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	Budget, 1917-1918.
Imperial.						
1. India General .	83,228	81,416	1,12,225	78,000	91,000	80,000
2. Delhi . . .	1,42,894	2,41,780	2,55,017	2,27,000	2,59,000	2,62,000
3. Baluchistan . .	43,914	48,113	48,783	47,000	46,000	45,000
4. North-West Frontier	1,48,739	1,65,444	1,68,004	1,50,000	1,62,000	1,59,000
5. Other Provinces .	2,70,028	2,52,849	2,73,358	2,30,000	3,02,000	3,08,000
Total .	6,88,803	7,89,602	8,57,387	7,32,000	8,60,000	8,54,000
Provincial.						
1. Madras . . .	3,32,418	4,08,800	6,02,615	4,29,000	4,13,000	3,72,000
2. Bombay . .	7,05,577	4,15,001	4,00,240	3,09,000	4,34,000	3,19,000
3. Bengal . . .	6,00,292	7,09,243	6,18,546	5,89,000	7,88,000	5,89,000
4. United Provinces .	5,38,595	4,62,612	4,85,038	4,47,000	5,20,000	4,61,000
5. Punjab . . .	5,21,946	4,04,724	3,60,841	3,43,000	3,91,000	3,85,000
6. Burma . . .	3,45,615	3,23,611	3,52,829	3,33,000	3,59,000	3,41,000
7. Bihar and Orissa .	3,54,127	3,74,440	3,99,375	4,20,000	4,45,000	4,70,000
8. Central Provinces .	2,41,530	2,61,873	3,14,089	2,69,000	3,09,000	3,09,000
9. Assam . . .	1,50,703	1,73,375	1,69,556	1,74,000	1,82,000	1,78,000
Total .	37,90,803	35,33,679	37,03,129	33,13,000	38,41,000	34,24,000
TOTAL INDIA . ₹	44,79,606	43,23,281	45,60,516	40,45,000	47,01,000	42,78,000
Equivalent in Sterling £	298,640	288,219	304,035	269,700	313,400	285,200

203. The Imperial revenue and expenditure shown against "Other Provinces" represent the transactions in connection with the buildings of the various departments, *e.g.*, Salt, Customs, etc., the receipts and charges of which are wholly Imperial.

EXPENDITURE.

(*a*) *Imperial—India and England.*

Revised, 1916-17.

204. The total expenditure in 1916-17 is expected to fall short of the Budget provision by ₹3·86 lakhs. The reduction is due to the curtailment of the expenditure programme, chiefly in Bombay and the United Provinces. There will, however, be an excess over the Budget estimate of ₹4·79 lakhs in Delhi owing to some unforeseen items of expenditure, part of which will be met from the reserve of ₹6 lakhs included in the Budget; and of ₹1·87 lakhs in England mainly due to higher payments of leave allowances.

Budget, 1917-18.

205. In 1917-18 the total Imperial grant has been fixed at ₹100 lakhs, exclusive of ₹5·24 lakhs allotted for expenditure in the Civil Department, mostly in the several minor administrations, and of sums aggregating ₹34·85 lakhs to be spent by the administrations of the North-West Frontier Province (₹26·70 lakhs) and Baluchistan (₹8·15 lakhs). The total Budget for 1917-18 is more than the Revised estimate for 1916-17 by ₹28·25 lakhs and more than the Budget grant for the latter year by ₹24·40 lakhs; but of this excess ₹20 lakhs represents a special provision for the construction of an acetone factory. The grants for ordinary expenditure have been kept as low as possible in view of the present financial situation.

206. The purposes to which the grant of ₹100 lakhs mentioned in the preceding paragraph will be applied are shown below:—

In lakhs of rupees.

(*a*) Ordinary grant—		
(1) Establishment and Miscellaneous charges	11·61	
(2) Repairs	19·35	
(3) Works in progress	12·26	
(4) New works:—		
(*a*) costing up to ₹5,000	6·56	
(*b*) costing more than ₹5,000	4·24	
(5) Payments in England for stores, furlough allowances, etc.	8·53	
(6) Reserve for Archæological expenditure	1·00	
(7) Reserve for other unforeseen expenditure	4·80	
		68·35
(*b*) Delhi Province—		
(1) Works in progress	0·30	
(2) New Works:—		
(*a*) costing up to ₹5,000	0·30	
(*b*) costing more than ₹5,000	0·78	
(3) Repairs	6·82	
(4) Establishment and Tools and Plant	2·08	
(5) Archæological expenditure	0·18	
(6) Reserve for unforeseen expenditure	1·19	
		11·65
(*c*) Lump grant for an acetone factory		20·00
		100·00

207. Out of the ordinary grant mentioned in paragraph 206, allotments of R1 lakh or more will be made to carry on work already in progress on the following projects; and it is not proposed to start any important new work in the ensuing year except the acetone factory.

Province.	Name of works.	Amount of grant.
Bombay	New Customs House, Karachi	3,00,000
,,	Quarters for the preventive officers of the Customs Department at Matunga	1,00,000
,,	New Customs House at Ballard Pier, Bombay	3,00,000
Bihar and Orissa	Post and Telegraph Office buildings in the new Capital at Patna with quarters for the postmaster, signallers and menials	1,20,000

208. The Budget grant for 1917-18 proposed for Baluchistan does not differ materially from the Revised estimate for 1916-17. The grant for the North-West Frontier Province is taken at R4·43 lakhs more than the Revised owing to the urgent necessity for undertaking certain works, the low allotments made during the last two years having been inadequate for the needs of the Province.

(*b*) *India—Provincial.*

Revised, 1916-17.

209. The total Revised estimate for 1916-17 is less than the Budget by R5·40 lakhs. The Budget provided for an outlay of R9 lakhs on Civil Works from the special Imperial assignments made in recent years for Education, Sanitation and other beneficent services, but the total expenditure of this class in the current year, to be recorded under Civil Works is now estimated at about R13½ lakhs. Eliminating this special expenditure as well as the Budget provision made for it, the Revised estimate under Civil Works falls short of the corresponding Budget grant by about R10 lakhs. The real saving is larger, for a portion of the expenditure against some of the ordinary grants provided in the Budget under Education, Sanitation and other heads is recorded in the accounts under Civil Works. The only important decreases occur in Burma and Bihar and Orissa, in the latter case in the outlay on buildings for the New Capital. The lapse in grants, however, has been smaller than usual as the Budget grants for the current year were on a very restricted scale.

Budget, 1917-18.

210. The table below compares the details of the grants for 1917-18 in the various provinces, so far as settled at present, with the probable expenditure in the current year.

REVISED 1916-17.

[Lakhs of Rupees.]

Provinces.	Grants to		Outlay in the Public Works Department on			Other items.	Total.
	Local Boards and Municipalities.	Other local bodies.	Original works.	Repairs.	Establishment charges.		
1. Madras	19·14	·01	31·60	10·98	14·06	3·75	79·54
2. Bombay	8·03	...	28·88	22·58	16·11	2·76	78 39
3. Bengal	6·20	1·50	19·30	25·20	11·48	·34	64·02
4. United Provinces	4·11	...	21·97	29·27	11·05	1·56	67·96
5. Punjab	10·17	...	11·84	19·06	9·01	1·50	51·58
6. Burma	10·50	...	20·40	31·25	17·31	2·30	81·76
7. Bihar and Orissa	11·76	...	38·13	8·60	9·13	3·12	70·74
8. Central Provinces	3·93	...	25·77	20·92	9·70	1·57	61·89
9. Assam	3·26	...	6·22	16·13	7·02	1·77	34·40
TOTAL	77·13	1·51	204·11	183·99	104·87	18·67	590·28

BUDGET, 1917-18.

[Lakhs of Rupees.]

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON			Other items.	TOTAL
	Local Boards and Municipalities.	Other local bodies.	Original Works.	Repairs.	Establishment charges.		
1. Madras	19·77	·01	36·21	9·96	14·00	4·07	84·02
2. Bombay	8·06	...	47·56	24·50	16·00	2·02	98·14
3. Bengal	6·78	1·50	32·66	24·00	12·00	1·01	77·95
4. United Provinces	3·91	...	18·92	25·86	11·81	2·02	62·52
5. Punjab	11·03	...	26·47	18·75	8·26	2·79	67·30
6. Burma	10·52	...	29·07	36·40	18·00	16·24	110·23
7. Bihar and Orissa	7·56	...	47·03	10·40	9·17	5·97	80·13
8. Central Provinces	4·04	...	37·10	21·44	10·40	1·21	74·19
9. Assam	1·63	...	10·47	16·38	6·96	1·48	36·92
TOTAL	73·30	1·51	285·49	187·6	106·60	36·81	691·4

211. The Budget estimate for 1917-18 exceeds the Revised for the current year by R101·12 lakhs. The increase is distributed over all the provinces except the United Provinces. Allotments aggregating R12 lakhs have been made for outlay on civil works from the special Imperial assignments made in recent years.

212. The total provision for original works in 1917-18 has been taken at R81·38 lakhs more than the probable expenditure in the current year. Provision has been made in Bihar and Orissa for progress of work in connection with the Bankipore buildings and the Lunatic asylums at Ranchi; in Bengal for quarters for the subordinate police and for expenditure connected with the partition of the districts of Midnapore and Mymensingh; in Assam for the construction of Military police lines on the North-East frontier; in Burma for the construction of roads in the wolfram-producing area; and in Burma, the Central Provinces and the Punjab for a partial re-grant of lapses in the current year.

213. The total provision for grants to local boards and municipalities in 1917-18 is about R4 lakhs less than the similar expenditure in 1916-17, the decrease occurring mainly in Bihar and Orissa and Assam. Of the provision under "grants to other local bodies", R1·50 lakhs represent the grant from Imperial revenues to the Calcutta Improvement Trust.

214. The Budget grants for repairs and for establishment charges are generally based on normal requirements and sanctioned scales. The Budget under the head "other items" includes an allotment for the acquisition of land for the Rangoon University and a lump provision in Bihar and Orissa for sanitary improvements.

REVENUE.

(a) *Imperial.*

Revised, 1916-17. 215. The Revised estimate for 1916-17 exceeds the Budget by R1·28 lakhs, mainly owing to the receipts from the lease of a Government building in Calcutta to the Eastern Bengal State Railway. *Budget, 1917-18.* The Budget estimate for 1917-18 practically repeats the Revised for the current year.

(b) *Provincial.*

Revised, 1916-17. 216. The Revised estimate for 1916-17 shows a rise of R5·28 lakhs over the Budget estimate. Special receipts are expected in Bengal and Bombay from the refund of unspent balances of grants made to certain local bodies in previous years and in the United Provinces from the sale of old school buildings. There will also be increases in most provinces in the sale-proceeds of old materials and miscellaneous items of revenue. *Budget, 1917-18.* The Budget estimate for 1917-18 provides generally for normal receipts.

XXXII and 46.—ARMY.

		Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917.		1917-1918, Budget.
					Budget.	Revised.	
EXPENDITURE.		R	R	R	R	R	R
INDIA—							
Effective Services—							
Administration		71,56,430	64,64,083	50,70,067	52,04,430	54,07,000	60,70,810
Military Accounts		30,13,241	28,28,910	25,20,017	25,29,300	26,00,000	26,03,440
Regimental Pay, etc.		12,23,80,051	10,88,36,245	7,99,57,421	7,68,01,520	7,72,20,000	7,70,22,420
Supply and Transport		3,42,78,307	3,12,17,805	2,47,25,419	2,70,10,580	2,83,66,000	3,20,03,000
Veterinary		5,02,617	3,75,784	1,74,025	1,74,660	1,72,000	1,73,610
Clothing		19,26,690	20,59,547	24,53,604	17,32,620	41,42,000	26,14,360
Remounts		46,52,456	52,12,080	45,99,756	40,60,270	44,15,000	45,77,480
Medical Services		57,50,474	53,53,407	28,06,736	27,60,180	29,46,000	32,64,970
Medical Stores		5,51,826	3,34,215	4,92,279	5,54,020	6,76,000	6,82,990
Ordnance		95,87,161	1,01,46,288	89,30,346	1,12,83,390	1,26,48,000	1,37,86,510
Ecclesiastical		4,27,183	4,08,819	3,75,208	3,85,130	3,68,000	3,78,190
Education		13,47,675	10,04,196	5,66,320	7,08,660	5,58,000	6,01,990
Compensation for Food, etc.		62,81,040	52,56,955	35,84,000	32,34,000	34,01,000	12,37,000
Miscellaneous Services		28,42,035	3,48,63,084	10,11,32,874	11,13,51,810	11,46,46,000	12,66,40,000
Hutting		2,10,975	1,86,651	2,61,600	2,00,000	2,64,000	2,00,000
Conveyance by Road, River, and Sea		8,47,034	7,98,532	5,91,653	6,70,540	7,90,000	7,05,040
Conveyance by Rail		42,48,200	48,67,594	58,83,294	46,03,780	1,05,00,000	1,04,99,570
Cantonments		24,27,498	14,47,274	14,06,228	13,88,910	15,93,000	19,35,620
Unadjusted Expenditure		1,29,023	39,308	—12,49,349	...	...	...
TOTAL	R	20,85,59,916	22,17,00,777	24,42,81,498	25,46,54,000	27,07,12,000	28,49,97,000
Non-effective Services—	R	1,09,57,429	1,10,06,881	1,17,29,048	1,37,93,000	1,28,46,000	1,64,80,000
TOTAL INDIA	R	21,95,17,345	23,27,07,658	25,60,10,546	26,84,47,000	28,35,58,000	30,14,77,000
Equivalent in sterling	£	14,634,490	15,513,844	17,067,369	17,896,500	18,903,900	20,098,500
ENGLAND—		£	£	£	£	£	£
Effective Services—							
Payments to War Office for British Forces		917,287	930,620	929,251	930,700	930,700	930,700
Furlough Allowances, etc., of British Forces		145,302	78,603	15,182	9,000	23,000	23,000
Consolidated Clothing Allowances of British Soldiers		412	24,700	6,848	...	...	...
Furlough Allowances, Indian Service		361,405	265,259	143,393	148,000	187,000	187,000
Indian Troop Service		298,777	85,206	556,904	282,300	279,600	282,300
Other Heads		115,919	142,741	51,074	38,500	55,000	54,500
Clothing Stores		92,665	90,438	111,797	99,900	127,500	105,900
Ordnance and Miscellaneous Stores		500,328	479,481	319,175	151,000	1,195,900	835,000
Medical Stores		94,406	94,501	104,511	123,700	189,500	141,800
Supply and Transport Stores		44,122	61,901	88,414	57,500	83,000	96,000
Mechanical Transport Stores		...	...	...	...	110,000	158,800
Military Farms Stores		11,294	11,470	12,943	17,400	27,800	16,400
Operations in Persian Gulf (Stores)		39,373	18,572	...	...	...	...
Aviation Stores		...	...	60,000	...	...	169,000
Stores taken to India with Troops		17,586	17,254	8,315	600	2,100	...
TOTAL	£	2,638,876	2,300,746	2,407,537	1,858,600	3,211,100	3,000,400
Non-effective Services—							
Payments to War Office for British Forces		927,029	946,078	864,473	766,000	676,000	600,000
Pensions, Indian Service		1,407,596	1,374,339	1,301,993	1,295,000	1,250,000	1,230,000
Other Heads		181,248	201,557	251,528	263,000	276,000	287,000
TOTAL	£	2,515,873	2,521,969	2,417,994	2,324,000	2,202,000	2,117,000
TOTAL ENGLAND	£	5,154,749	4,822,715	4,825,531	4,182,600	5,413,100	5,117,400
TOTAL EXPENDITURE	£	19,789,239	20,336,559	21,893,200	22,079,100	24,317,000	25,215,900
RECEIPTS.		R	R	R	R	R	R
India	R	1,27,84,798	1,12,24,641	90,00,890	88,30,000	1,03,20,000	1,02,35,000
Equivalent in sterling	£	£ 852,320	£ 748,309	£ 600,059	£ 588,700	£ 688,000	£ 682,300
England	£	351,186	347,882	339,884	314,700	331,900	304,000
TOTAL RECEIPTS	£	1,203,506	1,096,191	939,943	903,400	1,019,900	986,300
TOTAL NET EXPENDITURE	£	18,585,733	19,240,368	20,953,257	21,175,700	23,297,100	24,229,600

Revised, 1916-17, compared with Budget, 1916-17.

217. The net expenditure under the Army head during the current year is expected to exceed the Budget Estimate of R31,76·36 lakhs (£21,175,700) by R3,18·20 lakhs (£2,121,400). Of this, £908,100 (R1,36·21 lakhs) occurs in India and £1,213,300 in England.

218. The most important causes of the increase in India are :—

	Lakhs of rupees.	£ sterling.
(1) Increase under the head "War 1914—Debitable to Indian Government," including R55 lakhs in connection with the North-West Frontier operations, R20½ lakhs in connection with a moiety of the cost of the Aden operations, and a fall of about R11¼ lakhs under Port defences . . .	67·81	452,100
(2) Increased railway charges	58·96	393,000
(3) Increased food charges	33·88	225,900
(4) Increase due to the revision of the normal cost rates and of the war contribution to the Imperial Government	37·07	247,100
(5) Larger outlay on Clothing, Medical and Ordnance stores	35·90	239,300
	233·62	1,557,400

partly counterbalanced by the appropriation of a portion of the Budget "Reserve" of R78·45 lakhs (£523,000) ; and by the lapse of a provision in the Indian estimates for expenditure on Mechanical Transport Companies, which is actually being incurred at Home.

In connection with (1) above, Budget provision of R50 lakhs was made last year for the North-West Frontier operations. The cost of preparations and undertakings in connection with the situation on the North-West Frontier is now estimated at R105 lakhs. The Aden operations are now expected to cost R75 lakhs a moiety of which is chargeable to Indian revenues, involving an increase of R20½ lakhs over the budget provision of R17 lakhs.

As regards (2), practically all movements of troops, animals, stores, etc., other than to seaports for over-seas forces, are chargeable to Indian revenues. There were no means, when the Budget was prepared, of accurately gauging the extent of the possible railway charges. Frontier operations, internal defence, and the concentration of troops in the Rawalpindi Division have necessitated extensive railway movements.

About R22½ lakhs of the increase in food charges represent the extra cost of the concession sanctioned on the 1st January 1917 to Indian combatants, under which they receive a ration allowance of R2 each per mensem until arrangements can be made by the Supply and Transport Corps to supply rations in kind. It is hoped that the issue of rations will commence generally on the 1st of March ; the cost of these rations for one month, together with one month's stock as a reserve, is included in the R22½ lakhs. The balance of the excess, R11¼ lakhs roundly, is due to a rise in prices and to the fact that a larger number of men have been drawing the old money allowance in lieu of rations at Quetta and other places.

The increase at (4) is mainly due to revised rates being adopted in calculating the normal cost of troops in India and in the Field, and takes into account the rise in prices of Ordnance, Medical and Clothing stores, and the anticipated adjustment in this year of R15 lakhs of last year's outstandings in the contribution to the Imperial Government.

Of the increase of R35·90 lakhs at item (5), R24 lakhs occur under Clothing, mainly on account of rise in prices of clothing stores (including boots) which are supplied on payment to Indian troops and followers at pre-war recovery rates.

219. The main cause of the increase at Home of £1,213,300 over the Budget is in the stores head, where there is an increase of £1,284,200, including £936,000 on account of additional rifles and ammunition, £110,000 for mechanical transport stores (for which provision was made as explained above in the Indian Estimates), and £45,000 for machine guns.

220. For the coming year, the provision for net Army expenditure stands at R36,34·43 lakhs (£24,229,600), which in the case of the Indian allotment is R1,80·04 lakhs (£1,200,300) more than the net expenditure anticipated in the current year, while the Home provision is £267,800 less. *Budget, 1917-18, compared with Revised, 1916-17.*

221. The increase in India is made up chiefly as follows:—

	Lakhs of rupees.	£ sterling.
Reserve for unforeseen charges (certain demands have already come forward, lowering the reserve to practically £½ million, as in the current year's Budget) .	1,05·40	702,600
Increased provision for food charges, chiefly due to the concession of free rations sanctioned for Indian combatants	25·41	169,400
War pensions recoverable from the Imperial Government. (This increase is set off by a corresponding decrease at Home)	27·00	180,000
Increased rates of pensions to Indians, and increased pay to the higher ranks of the Indian Army . .	14·77	98,500
	1,72·58	1,150,500

222. At Home the decrease is mainly accounted for by a lower provision of £210,800 for stores, made up chiefly of £386,000 less for rifles and £169,000 more for aviation stores; and by larger recoveries from the War Office for war pensions payable in India, amounting to £180,000: partly counterbalanced by recoveries from the War Office in 1916-17 in respect of non-effective war disbursements by the India Office during 1914-15 and 1915-16 (about £100,000).

223. The estimated gross Army expenditure for 1917-18 exceeds the current year's Budget of £22,079,100 by £3,136,800, while the receipts are more by £82,900. The net expenditure is thus estimated to exceed the amount sanctioned last March by £3,053,900, made up of £2,108,400 in India and £945,500 in England. The increase in India is mainly accounted for by a larger provision of R66·66 lakhs (£444,400) in connection with the North-West Frontier and Aden operations, etc.; an additional allotment of Rs. 59·29 lakhs (£395,300) for food charges, including R51·50 lakhs on account of the concession of free rations to Indian combatants; a higher provision for war pensions (recoverable from the Imperial Government), and increased rates of pensions for Indians sanctioned with effect from 4th August 1914, R27 lakhs (£180,000); heavier railway charges, R58·96 lakhs (£393,000); a higher provision, including rise in prices, for Ordnance, Clothing and Medical stores, R29·09 lakhs (£193,900); revision of normal cost rates and war contribution to the Imperial Government, R24 lakhs (£160,000); and a larger "Reserve" of R26·95 lakhs (£179,600) to meet unforeseen demands, etc. The increase at Home occurs mainly under the head of Stores, which accounts for £1,073,400 (including £550,000 for rifles and ammunition); this increase is partly counterbalanced by smaller non-effective charges, since it is anticipated there will be larger recoveries (£120,000) from the War Office for war pensions and gratuities payable in India. *Budget, 1917-18, compared with Budget, 1916-17.*

XXXIII and 46-A.—MARINE.

		Accounts, 1913-14.	Accounts, 1914-15.	Accounts, 1915-16.	1916-17. Budget.	1916-17. Revised.	1917-18, Budget.
Expenditure.							
India	₹	38,35,541	36,89,687	72,07,696	38,57,000	48,66,000	46,95,000
Equivalent in sterling .	£	255,703	245,979	480,513	257,100	324,400	313,000
England	£	257,142	217,391	265,000	450,500	420,200	525,500
Total	£	512,845	463,370	745,513	707,600	744,600	838,500
Receipts.							
India	₹	13,43,125	29,71,715	33,48,942	27,38,000	55,98,000	39,12,000
Equivalent in sterling .	£	89,542	198,115	223,263	182,500	373,200	260,800
England . . .	£	...	...	...	...	...	...
Total	£	89,542	198,115	223,263	182,500	373,200	260,800
Net Expenditure	£	423,303	265,255	522,250	525,100	371,400	577,700

Revised, 1916-17, compared with Budget, 1916-17.

224. It is anticipated that the expenditure in India and at Home in 1916-17 will amount to £744,600, or £37,000 over the Budget provision; while the receipts are expected to exceed the Budget Estimate by a sum of £190,700. There is thus an improvement of £153,700 in the net expenditure.

The Indian expenditure has risen by £67,300. This is mainly due to larger outlay on stores and the grant of overtime pay to certain dockyard staff and establishments. At Home there is a decrease of £30,300, brought about by a lapse of £132,300 in the provision for the construction of three Royal Indian Marine vessels, though this is partly counterbalanced by larger expenditure on miscellaneous stores demanded from India to replace the stores used in fitting up transports. The increase in receipts is accounted for by larger recoveries for dockyard services and by a rise in the price of Home stores used in fitting up transports.

Budget, 1917-18, compared with Revised, 1916-17.

225. For the ensuing year a total provision of £838,500 has been made. This is £93,900 more than the expenditure anticipated in the present year. Allowance has been made for an increase of £105,300 at Home and a decrease of £11,400 in India; the former takes into account an increase of £126,900 towards completion of the three Marine vessels already referred to. The receipts are expected to be lower by £112,400, as the work done in the dockyards this year was exceptionally heavy and the receipts include arrear recoveries for the year 1915-16. The net expenditure is therefore expected to be £206,300 more than the corresponding figure in the current year.

XXXIV and 47—MILITARY WORKS.

		Accounts, 1913-14.	Accounts, 1914-15.	Accounts, 1915-16.	1916-17. Budget.	1916-17. Revised.	1917-18, Budget.
ORDINARY.							
EXPENDITURE.							
India . . .	₹	96,23,778	97,77,511	89,40,517	90,80,000	1,65,77,000	1,07,40,000
Equivalent in sterling	£	641,585	651,834	536,035	605,400	1,105,100	716,000
England . .	£	31,225	27,059	27,745	48,000	1,900	14,000
TOTAL	£	672,810	678,893	6 ,780	653,400	1,107,000	730,000
RECEIPTS.							
India . . .	₹	11,49,059	12,05,734	11,78,015	12,00,000	11,50,000	12,00,000
Equivalent in sterling	£	76,604	80,382	78,534	80,000	76,700	80,000
England . .	£	...	...	...	...	...	...
TOTAL	£	76,604	80,382	78,534	80,000	76,700	80,000
Net expenditure, Ordinary	£	596,206	598,511	545,246	573,400	1,030,300	650,000
SPECIAL DEMANDS.							
EXPENDITURE.							
India . . .	₹	39,60,330	46,27,989	33,01,067	30,44,000	60,10,000	63,41,000
Equivalent in sterling	£	264,022	308,533	220,071	202,900	400,700	422,700
England . .	£	10,465	8,645	7,015	2,000	26,000	6,000
TOTAL	£	274,487	317,178	227,086	204,900	426,700	428,700
TOTAL NET EXPENDITURE	£	870,693	1£ 915,689	772,332	778,300	1,457,000	1,078,700

226. *Expenditure, Ordinary Demands.*—These show a considerable increase—about ₹68 lakhs (£453,600)—which is entirely due to urgent measures necessitated by the war, such as the improvement of the Nushki-Robat road, costing ₹7¼ lakhs; the provision of accommodation for the Royal Flying Corps and Air Craft Park costing about ₹10¼ lakhs; war hospitals (about ₹10 lakhs); construction of a general hospital at Deolali (₹8 lakhs), etc. The "Reserve" of ₹78⅓ lakhs (£523,000) in the Army Estimates has been largely utilised in meeting this extra expenditure in the Military Works Services. *Revised, 1916-17, compared with Budget, 1916-17.*

Special Demands.—An increase of ₹33¼ lakhs (£221,800) is expected on the budget allotment of ₹30¾ lakhs (£204,900). Improvements to frontier roads account for ₹13¼ lakhs of this; ₹7½ lakhs are being spent on the provision of electric lights in barracks and hospitals for British troops; ₹5¼ lakhs have been spent on the construction of a cart road and metalling a portion of another road in the Shilman valley; additional sums of ₹2 lakhs have been allotted

for Indian troops' lines and R1 lakh for electrification of the Royal Flying Corps buildings.

Budget, 1917-18, compared with Budget, 1916-17.

227. *Expenditure—Ordinary Demands.*—The allotment for 1917-18 has been fixed at R109½ lakhs (£730,000), as compared with R98 lakhs (£653,400) in the current year. This increase takes into account the abnormal requirements of the Royal Flying Corps and Nos. 1 and 2 Mechanical Transport Companies —which will need R15 lakhs in India against R6 lakhs provided in 1916-17— and a provision of R2½ lakhs for works for the comfort of troops.

Special Demands.—In the aggregate, the allotment for 1917-18, *viz.* R64·31 lakhs (£428,700), approximates to the anticipated expenditure in 1916-17, *i.e.*, R64 lakhs, though it exceeds the allotment in the Budget, 1916-17, by R33·57 lakhs (£223,800). In the coming year, the most prominent measures provided for are :—

Revival of the normal grant for Indian troops' lines of R13 lakhs, which has been reduced in the last two years to about half that figure.

R15 lakhs have been allotted for frontier roads, against R22½ lakhs likely to be spent in the current year.

R10 lakhs have been set aside for electric installations in barracks and hospitals for British troops, which is about R2½ lakhs more than in the Revised estimate of the current year.

About R4¾ lakhs have been provided for new works, and the balance for works in progress.

47A.—SPECIAL DEFENCES.

Expenditure.		Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-1916.	1916-1917. Budget.	1916-1917. Revised.	1917-1918, Budget.
India . . .	R	1,07,225	65,149	83,941	1,85,000	3,50,000	1,55,000
Equivalent in Sterling .	£	7,148	4,343	5,596	12,300	23,300	10,300
England . . .	£	9,236	9,260	7,918	8,600	6,200	3,700
Total .	£	16,384	13,603	13,514	20,900	29,500	14,000

228. These figures call for no special comment.

SCHEDULE.

Revised, 1916-17.

229. The total provision for Schedule in the Budget of 1916-17 was R69·40 lakhs (£462,700). It is now anticipated that the expenditure will amount to R2,56·69 lakhs (£1,711,300), or an increase of R187·29 lakhs (£1,248,600). This is made up of an increase of over R67 lakhs (£448,000) in India and R120 lakhs (£800,600) at Home.

The increase at Home is mainly on account of the purchase of new rifles, on which, as explained in paragraph 219, £936,000 will be spent this year; on the other hand, work on the construction of Mariné vessels has been retarded, with the result that there is a lapse of £132,300.

The Schedule system is largely in abeyance under the special circumstances of the war, and the principal increases are explained above under the appropriate Military heads, *e.g.*, free rations, improvements to frontier roads, etc.

Budget, 1917-18.

230. The Schedule for 1917-18 has been fixed at R285·20 lakhs (£1,901,300) in view of the urgent need for rifles and ammunition. On this account a sum of £550,000 has been provided, as mentioned in paragraph 223. The concessions of free rations to Indian combatants and increased pay to higher ranks will cost R60 lakhs, and the increased scale of pensions for Indian combatants entails an extra provision of R9 lakhs. For the grant of pay of temporary rank to British officers of the Indian Army R12 lakhs have been provided, and R3 lakhs for improvement in the pay and prospects of sub-assistant surgeons.

For the completion of the three Marine vessels about R21½ lakhs (£143,500) have been allotted.

In the case of Military Works, provision has been made on a larger scale for works in progress, and special allotments have been made of R15 lakhs for frontier roads and R10 lakhs for electric installations in barracks and hospitals of British troops, as already stated in paragraph 227.

MILITARY SERVICES: SUMMARY.

		Accounts, 1913-1914.	Accounts, 1914-1915.	Accounts, 1915-16.	1916-1917.		1917-1918, Budget.
					Budget.	Revised.	
EXPENDITURE—							
India . .	R	23,70,44,219	25,08,67,994	27,55,43,767	28,46,13,000	31,13,61,000	32,34,08,000
Equivalent in Sterling .	£	15,802,948	16,724,533	18,369,584	18,974,200	20,757,400	21,560,500
England .	£	5,462,817	5,085,070	5,133,509	4,691,700	5,867,400	5,666,600
Total Expenditure	£	21,265,765	21,809,603	23,503,093	23,665,900	26,624,800	27,227,100
RECEIPTS—							
India . .	R	1,52,76,982	1,54,02,090	1,35,27,847	1,27,68,000	1 68,000	1,53,47,000
Equivalent in Sterling .	£	1,018,466	1,026,806	901,856	851,200	1,137,900	1,023,100
England .	£	351,186	347,882	339,884	314,700	331,900	304,000
Total Receipts .	£	1,369,652	1,374,688	1,241,740	1,165,900	1,469,800	1,327,100
NET EXPENDITURE	£	19,896,113	20,434,915	22,261,353	22,500,000	25,155,000	25,900,000

Revised, 1916-17.

231. The total net grant for Military expenditure in 1916-17 was £22½ million. It is now anticipated that this will be exceeded by £2,655,000. Broadly speaking, the excess is attributable to war conditions which, for instance, have necessitated considerable outlay on additional rifles and ammunition; on railway charges for internal movements of troops, stores, etc.; on the North-West Frontier and Aden operations; on larger requirements generally of stores—local and imported—including rise in prices; and on military works which the present situation has rendered absolutely necessary.

Budget, 1917-18.

232 For the coming year, the net Military Budget has been fixed at £25,900,000, on the assumption that war conditions will continue throughout the year. This figure is £745,000 more than the expected expenditure in 1916-17. It includes a reserve of £703,000 to meet possible unforeseen demands.

TRANSFERS BETWEEN IMPERIAL AND PROVINCIAL.

	Accounts, 1913-14.	Accounts, 1914-15.	Accounts, 1915-16.	1916-17.		Budget, 1917-18.
				Budget.	Revised.	
Transfers from Imperial to Provincial—						
1. (*a*) Recurring assignments under the terms of the Provincial Settlements, including permanent additions subsequently made to them, with the exception of special recurring grants for Education and Sanitation .	1,06,32,000	1,16,20,000	1,40,83,000	1,40,36,000	1,39,67,000	1,40,42,000
(*b*) Recurring assignments from Provincial to Imperial in connection with the 1916-17 scheme of taxation . . .	...	...	...	—63,25,000	—83,97,000	—91,97,000
2. Special recurring grants for—						
(*i*) Education	1,05,38,000	1,14,29,000	1,14,50,000	1,14,50,000	1,14,50,000	1,43,10,000
(*ii*) Sanitation	36,50,000	36,70,000	36,70,000	36,70,000	36,73,000	36,73,000
3. Assignments in connection with the scheme for the incidence of famine relief expenditure (*vide* paragraph 54 of Financial Statement for 1907-1908) . .	37,50,000	29,24,000	24,70,000	14,48,000	14,70,000	...
4. Non-recurring grants—						
(*i*) Under the terms of the Provincial settlements . .	15,33,000	4,36,000	11,27,000	3,32,000	...	...
(*ii*) For Education . . .	8,000	11,87,000	2,37,000	1,74,000	2,74,000	1,44,000
(*iii*) For Sanitation . . .	1,00,000	5,50,000	2,20,000	...	2,61,000	...
(*iv*) For medical relief, agriculture and allied objects . .	25,35,000	...	...	...	...	22,20,000
(*v*) For public works expenditure and discretionary outlay .	...	1,00,000	...	...	...	...
(*vi*) Other items . . .	53,00,000	3,09,000	32,07,000	23,02,000	21,03,000	26,59,000
Total Transfers .	3,80,46,000	3,72,25,000	3,64,64,000	2,70,87,000	2,48,01,000	2,73,51,000

(*a*) *Recurring assignments excluding special grants for Education and Sanitation.*

Revised, 1916-17.

233. The decrease of R·69 lakh in the Revised estimate of the current year as compared with the Budget is made up as follows :—

(Lakhs of rupees.)

(1) Reduction in assignment to the United Provinces in connection with the surrender to local bodies of proceeds of cesses on land previously appropriated for provincial purposes, in consequence of the postponement of the scheme for the substitution of cash paid *chaukidars* in Gorakhpur for village watchmen paid by grants of land. (The Revised estimate provides for the recovery of assignments paid in excess in respect of past years)	—2·28
(2) Reduction in assignment to Madras in connection with the remission of the village service cess in proprietary estates due to slower progress in the resumption of *inam* lands of village servants	—1·22
(3) Increase in the Punjab Government's share of sale-proceeds of sites for shops and residences in certain towns in that province (these receipts are credited in the Imperial section of the accounts, but the Local Government is entitled to a moiety)	+1·97
(4) Increase in assignment to Bihar and Orissa in connection with the new High Court at Bankipur, owing chiefly to the appointment of a Government Advocate with establishment . . .	+·75
(5) Minor adjustments of a recurring nature . .	+·09
Total . . .	—·69

234. The Budget estimate for 1917-18 exceeds the Revised for the current year by R·75 lakh. The increase is due to the following causes :— *Budget, 1917-18.*

	Lakhs of rupees.
(1) Increase in assignment to the United Provinces in connection with the surrender of the proceeds of cesses on land to local bodies, owing to the omission of the arrear adjustment included in the Revised	+1·52
(2) Increase in assignment to Madras in connection with the remission of the village service cess in proprietary estates, due to progress in the resumption of *inam* lands of village servants	+1·51
(3) Decrease in the Punjab Government's share of sale proceeds of sites for shops and residences	—2·27
(4) Petty adjustments of a recurring nature	—·01
Total ..	+·75

(*b*) *Recurring assignments from Provincial to Imperial in connection with the 1916-17 scheme of taxation.*

235. As stated in paragraphs 44 and 45 above, the Income-tax revenue in the current and next years is expected to exceed largely the Budget estimate for the current year, which formed the basis of the calculation of the assignments to be recovered from local Governments in respect of their share of the revenue derived from the extra taxation imposed last year. The increase is due to the abnormal war profits realised in Bengal and Bombay, and as the taxation was imposed wholly for Imperial purposes, it is proposed to raise the assignments from these provinces by the Provincial share of the extra receipts attributable to the new taxation. The exact amounts of the assignments will be separately considered.

236. The increases of (*a*) R20·72 lakhs in the Revised estimate over the Budget for the current year and (*b*) R8 lakhs in the Budget for 1917-18 over the Revised for 1916-17 are made up as follows :— *Revised, 1916-17.* *Budget, 1917-18.*

	Lakhs of rupees.	
	1916-17.	1917-18.
(1) Increase in assignments in connection with the enhancement of income-tax rates—		
Bengal	+12·32	+6·50
Bombay	+8·00	+1·50
(2) Assignment from Bombay on account of revenue from enhancement of duty on locally produced beer and country spirits which was made in connection with the 1916-17 scheme of taxation. (The Budget estimate anticipated no receipts on this account in Bombay)	+·40	...
	+20·72	+8·00

(*c*) *Special recurring grants for Education.*

237. The increase of R28·60 lakhs in the Budget estimate for 1917-18 over the Revised for 1916-17 relates to the recurring appropriation of R30 lakhs which it has been decided to make from Imperial revenues from the year 1917-18 for the improvement of the pay and training of teachers (*vide* *Budget, 1917-18.*

paragraph 111). The grant of R28·60 lakhs will be distributed among the provinces as follows and the balance of R1·40 lakhs is reserved for direct Imperial expenditure or for future distribution :—

	Lakhs of rupees
Madras	4·00
Bombay	2·50
Bengal	9·00
United Provinces	2·50
Punjab	1·75
Burma	3·00
Bihar and Orissa	3·25
Central Provinces	1·60
Assam	1·00
Total	28·60

(*d*) *Special Recurring grants for sanitation.*

Revised, 1916-17. 238. The petty increase in the Revised over the Budget for the current year is due to the allotment of a small sum for recurring outlay in Bihar and Orissa from the undistributed balance of the recurring appropriation of R51 lakhs made from Imperial revenues in recent years for the improvement of sanitation (see paragraph 125).

(*e*) *Assignments in connection with the scheme for the incidence of Famine Relief expenditure.*

Revised, 1916-17. 239. The variation in the amount of assignments for the famine insurance of Provincial Governments provided in the Revised estimate for 1916-17 as compared with the Budget arises from the circumstances mentioned below. Under the scheme for the incidence of famine relief expenditure introduced in 1907, the details of which were explained in paragraphs 48 to 57 of the Financial Statement for 1907-08, certain annual assignments are made to Provincial Governments, and the latter use the funds so placed at their disposal to build up a reserve of credit with the Imperial Government which can be utilised when necessary to meet famine relief expenditure. To avoid the possible accumulation of an unnecessarily high credit, it was decided (1) to fix a maximum limit to the reserve of each province, and (2) when that limit was reached in any province, to discontinue the annual assignment until the credit had been reduced by expenditure on famine relief. The limit for Bombay was fixed at R80 lakhs; and it is estimated that this figure will be reached in 1916-17 with an assignment of R3·70 lakhs, which is R10 lakhs less than the normal assignment for the province. The maximum limit has already been reached in the Central Provinces and no further assignment is now made to it in this connection.

Budget, 1917-18. 240. No assignments to Provincial revenues are necessary on this account during the next year as it has been decided to discontinue the arrangements mentioned in the preceding paragraph from the 1st April 1917—*vide* paragraph 171.

(*f*) *Non-recurring grants under the terms of the Provincial settlements.*

Revised, 1916-17. 241. The Budget estimate for the current year provided for a contribution to the Punjab to bring its net irrigation revenue up to the amount guaranteed in the provincial settlement. *Budget, 1917-18.* No contribution is required either in the Revised for the current year or the Budget for the next year.

(*g*) *Non-recurring assignments for Education.*

242. The following contributions will be paid for Provincial expenditure from the undistributed balance of the recurring appropriation of ₹124 lakhs made from Imperial revenues in recent years for educational expenditure :— *Revised, 1916-17.* *Budget, 1917-18.*

	Lakhs of rupees. 1916-17.	1917-18.
(1) Additional grant to the Dacca University	1·00	1·00
(2) Contribution in aid of research work by Dr. Sir J. C. Bose	·32	·32
(3) Grant to the Hindu University for acquisition of land	1·00	...
(4) Grant to the Islamia College, Lahore, for the equipment and maintenance of science laboratories	·30	...
(5) Contribution in aid of the establishment of a chair for post-vedic culture in the Allahabad University		·12
TOTAL		1·44

(*h*) *Non-recurring grants for Sanitation*

243. The following allotments have been sanctioned during the current year from the undistributed balance of the special recurring appropriation of ₹51 lakhs made from Imperial revenues in recent years for the improvement of sanitation :— *Revised, 1916-17.*

	Lakhs of rupees.
(1) To the United Provinces, for sanitary improvement of the pilgrim route to Badrinath and Kedarnath	1·00
(2) To the Punjab, in connection with the Dhar Housing scheme in Simla	1·61
TOTAL	2·61

(*i*) *Non-recurring grants for Agriculture and allied objects.*

244. The following assignments will be made in 1917-18 for expenditure on agricultural and allied objects from the profits of the wheat scheme of 1915, which amounted to ₹23·70 lakhs, the balance of ₹1·50 lakhs being reserved for direct Imperial expenditure—see also paragraphs 136, 137 and 167 :— *Budget, 1917-18.*

	Lakhs of rupees.
Bombay	1·50
United Provinces	7·75
Punjab	10·70
Central Provinces	2·25
TOTAL	22·20

(*j*) *Miscellaneous non-recurring grants.*

245. The following are the details of the miscellaneous non-recurring grants which will be given in the two years :— *Revised, 1916-17.* *Budget, 1917-18.*

	Lakhs of rupees. 1916-17.	1917-18.
(1) Contribution to meet provincial expenditure in Burma and Assam in connection with the North-East Frontier	13·19	25·88
(2) Further assignment to Bihar and Orissa in respect of cost of High Court buildings at Bankipur	5·64	...
(3) Assignment to Bihar and Orissa for the European Lunatic Asylum at Ranchi (in addition to ₹10 lakhs given in 1913-14)	...	2·51
(4) Grant to the United Provinces for tank restoration works, out of the special provision made in the Imperial Budget under Minor Irrigation Works for the improvement of irrigation	·84	...
(5) Yearly instalments of the contribution to the Calcutta Improvement Trust for a period of 60 years from 1911-12	1·50	1·50
(6) Grant for five years to the Chittagong Port in aid of dredging and revetment operations	·75	·75
(7) Assignment to Bombay for expenditure in connection with famine relief measures in some Native States	1·25	...
(8) Miscellaneous adjustments, representing mainly refund of expenditure undertaken on behalf of the Imperial Government or of Provincial revenue erroneously credited as Imperial	—2·14	—4·05
TOTAL	21·03	26·59

CAPITAL EXPENDITURE ON RAILWAYS AND IRRIGATION AND OTHER WORKS NOT CHARGED TO REVENUE.

RAILWAY CONSTRUCTION.

Revised, 1916-17.

246. In the Budget for 1916-17, a sum of ₹450 lakhs was allotted for expenditure on railway construction for which the Government of India undertake financial responsibility. The expenditure of the year is now estimated at ₹226·49 lakhs or ₹223·51 lakhs less than the grant, the lapse being due partly to the difficulties attendant on the supply of material from England, and partly to special credits anticipated from the supply of railway stores, rolling stock, etc., for use in connection with expeditionary forces. For 1917-18 a grant of ₹540 lakhs has been provided, of which ₹162·23 lakhs is for rolling stock; allowing for a credit of ₹40 lakhs anticipated in the next year from the supply of stores for war purposes, the effective grant for capital outlay during the next year amounts to ₹580 lakhs.

1917-18.

247. The distribution of the total expenditure on Railway construction between State and Companies' agency in each of the three years from 1915-16 to 1917-18 is as follows :—

		1915-1916. Accounts.	1916-1917. Budget.	1916-1917. Revised.	1917-1918. Budget.
1. Outlay on State Lines :					
(*a*) India	₹	5,88,50,550	3,06,53,000	1,46,46,000	3,44,56,000
	£	3,923,370	2,043,500	976,400	2,297,100
(*b*) England	£	852,742	758,400	316,700	927,100
TOTAL	£	4,776,112	2,801,900	1,293,100	3,224,200
2. Outlay of Companies :					
(*a*) India	₹	—1,39,12,006	—31,82,000	—25,18,000	—42,11,000
	£	—927,468	—212,100	—167,800	—280,700
(*b*) England	£	642,639	410,200	384,700	656,500
TOTAL	£	—284,829	198,100	216,900	375,800
Total of Programme	£	4,491,283	3,000,000	1,510,000	3,600,000

The following outlay in England on account of purchased lines worked by companies is included in the Indian figures under outlay on State lines :—

2,047,140	1,252,600	703,600	1,336,400

248. The details of the Budget grant for 1917-18 are shown below :—

[Lakhs of rupees.]

	Open Line.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
I.—Outlay on State Railways :—					
1. Assam-Bengal :—					
(i) Open line	15·75	27·53	43 28	...	...
(ii) Bhairab Bazar-Tangi (Open Section)	...	1·50	1·50	...	...
(iii) " " " (Re-alignment at Bhairab-Bazar).	...	70	70	...	...
2. Bengal Nagpur :—					
(i) Main line	13·97	55·82	69·79	...	...
(ii) Parvatipur-Singapur Road	...	...	...	·15	...
3. Bezwada Extension	...	·98	·98	...	...
4. Bombay, Baroda and Central India :—					
Main line	9·70	18·60	28·30	...	...
5. Burma Extensions :—					
(i) Open line	·05	·50	·55	...	...
(ii) Southern Shan States	·80	·52	1·32	...	...
6. Dhone-Kurnool	...	·05	·05	...	...
7. East Indian :—					
(i) Open line	12·97	41·31	54·28	...	...
(ii) Bokaro-Ramgarh	...	·72	·72	...	...
(iii) Burdwan-Howrah	...	6·13	6·13	...	...
8. Eastern Bengal System :—					
Open line	19·35	49·30	68·65	...	...
9. Great Indian Peninsula System :—					
(i) Main line	11·27	65·47	76·74	...	...
(ii) Itarsi-Nagpur, etc.	...	...	...	1·00	...
(iii) Agra-Delhi Chord	...	·44	·44	...	...
(iv) Bhopal	...	·30	·30	...	...
(v) Harbour Branch Extension	...	...	...	2·00	...
(vi) Cawnpur-Banda	...	1·57	1·57	...	...
(vii) Baran-Kotah	...	·75	·75	...	...
10. Jodhpur-Hyderabad (British Section)	...	·78	·78	...	...
11. North Western :—					
(i) Main line	40·30	57·74	98·04	...	...
(ii) Laki-Pezu Tank	...	1·78	1·78	...	...
(iii) Nushki Extension	...	...	...	11·00	...
12. Oudh and Rohilkhand :—					
Main line	1·50	4·21	5·71	...	...
13. South Indian System—					
(i) Main line	9·00	3·28	12·28	...	...
(ii) Coonoor-Ootacamund	...	·3	·3	...	...
(iii) Tinnevelly-Quilon—British Section	...	·01	·01	...	...
(iv) Do. Native State Section	...	·10	·10	...	...
14. Tirhoot and extensions :—					
Open line	3·00	2·31	5·31	...	...
15. Aden Railway	·04	·18	·22	...	...
16. Anticipated credits for stores issued in 1917-18 to Expeditionary forces	...	—40·00	—40·00	...	...
17. Reserve	...	29·18	29·18	...	...
	137·70	331·79	469·49	14·15	...
II.—Outlay of Indian Railway Companies :—					
1. Burma	15·36	7·25	22·61	...	...
2. Lucknow-Bareilly	...	·29	·29	...	...
3. Madras and Southern Mahratta :—					
(i) Open line	9·17	23·89	33·06	...	...
(ii) Guntur-Tenali	...	·40	·40	...	...
	24·53	31·83	56·36	...	...
Total	162·23	363·62	525·85	14·15	...

The bulk of the restricted programme grant for 1917-18 will be devoted to the improvement of open lines of railway.

249. The figures in the table in paragraph 247 do not include the expenditure on Protective Railways met from the Famine Insurance grant, nor that on Branch Line Companies. Including this outlay, and also some small expenditure from Provincial revenues, the total expected outlay on railway construction in the three years ending 1917-18 is as follows :—

	Accounts, 1915-16.	Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
	₹	₹	₹
Total as in table on page 114 . .	6,73,69,259	2,26,49,000	5,40,00,000
Famine Protective lines . .	—2,896	—9,000	—8,000
Branch lines	1,08,68,724	1,25,99,000	40,89,000
Provincial State lines . .	18,950	35,000	23,000
Grand total in Rupees .	7,82,54,037	3,52,74,000	5,81,04,000
Grand Total in sterling at ₹15 to the £	5,216,935	2,351,600	3,873,600

CONSTRUCTION OF PRODUCTIVE IRRIGATION WORKS.

250. The figures are—

	Accounts, 1915-16.	Budget, 1916-17.	Revised, 1916-17.	Budget, 1917-18.
Total in Rupees . . .	1,21,94,292	1,35,00,000	88,55,000	90,00,000
Equivalent in Sterling . . .	812,953	900,000	590,300	600,000

Revised, 1916-17.

251. The expenditure in 1916-17 is expected to fall short of the Budget grant by ₹46·45 lakhs. There will be a lapse of about ₹22 lakhs in the allotments for works in operation,* mainly on canals in the Punjab, on the Eastern Nara Works in Bombay, and the permanent head works of the Ganges Canal in the United Provinces, due in the last case partly to a failure in the supply of materials. There will also be a saving of about ₹15 lakhs in the grant for works under construction, due to slower progress of work on the Toludur project in Madras owing to scarcity of labour and on the Mahanadi and Wain Ganga Canals in the Central Provinces. The whole of the reserve provision of ₹10 lakhs included in the Budget will lapse.

Budget, 1917-18.

252. The Budget grant for 1917-18 has been fixed at ₹90 lakhs or slightly more than the probable expenditure in 1916-17, with reference to the financial situation and after due consideration of the requirements of the various canals under construction most of which are nearing completion. The following statement shows the distribution of the expenditure in 1916-17 and the grant for 1917-18 :—

Name of Project.	Expenditure in	
	1916-17.	1917-18.
	₹	₹
Works in operation—		
Upper Swat River Canal	9,56,000	3,61,000
Kabul River Canal	17,000	93,000
Godavari Delta System	1,36,000	2,37,000
Kistna Delta System	41,000	1,12,000
Kurnool-Cuddapah Canal	98,000	56,000
Cauvery Delta System	74,000	67,000
Eastern Nara Works	14,000	...
Jamrao Canal	2,48,000	13,000
Ganges Canal, including Mat and Hathras branches and permanent headworks . .	7,24,000	7,45,000
Upper Bari Doab „	2,14,000	1,61,000
Sirhind Canal	1,00,000	1,05,000
Lower Chenab Canal	5,65,000	4,00,000
Lower Jhelum „	3,000	1,00,000
Western Jumna Canal	11,000	1,00,000
Upper Chenab Canal	8,23,000	5,72,000
Lower Bari Doab Canal	7,21,000	7,69,000
Twante Canal	7,31,000	13,000
Wainganga Canal	4,32,000	5,62,000
Other Projects	77,000	3,58,000
Works under construction—		
Toludur Project	2,29,000	3,51,000
Gorai Canal	1,08,000	23,000
Upper Jhelum Canal	10,02,000	9,80,000
Ye-u Canal	5,67,000	5,68,000
Mahanadi Canal	9,64,000	19,07,000
Reserve	...	3,47,000
TOTAL ₹ .	88,55,000	90,00,000
Equivalent in Sterling £ .	590,300	600,000

* Excluding the Twante Canal in Burma and the Wainganga Canal in the Central Provinces, both of which came into operation during 1916-17.

Of the total grant of ₹90 lakhs, about ₹38½ lakhs will be allotted to canals under construction; about ₹48 lakhs will be devoted to the completion and development of canals in operation; and ₹3½ lakhs will be held in reserve to meet unforeseen requirements.

253. The figures mentioned above do not include expenditure on Protective Irrigation Works, whether financed from the Famine Insurance grant or from ordinary revenues outside that grant. Including this outlay, and also some small expenditure on works which were originally classed as productive but have since ceased to belong to that class, the total expected outlay on the construction of irrigation works in the three years ending 1917-18 is as follows:—

		Accounts, 1915-16.	Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
		₹	₹	₹
Outlay on Productive Irrigation Works		1,21,94,292	88,55,000	90,00,000
Outlay on Protective Irrigation Works met from Famine Insurance grant.		72,38,168	48,88,000	60,04,000
Outlay on Protective Irrigation Works outside the Famine Insurance grant.		1,89,478	...	...
Other outlay from ordinary revenues		2,01,667	32,000	40,000
Total ₹		1,98,23,605	1,37,75,000	1,50,44,000
Equivalent in Sterling	£	1,321,574	918,300	1,002,900

INITIAL OUTLAY ON THE NEW CAPITAL AT DELHI.

254. The figures are :—

		Accounts, 1915-16.	Budget, 1916-17.	Revised, 1916-17.	Budget. 1917-18.
Total in Rupees . . .		49,69,104	40,00,000	49,00,000	40,00,000
Equivalent in sterling . .	£	331,274	266,700	266,700	266,700

255. The expenditure in the current year will amount to R40 lakhs as estimated in the Budget made up as follows :— *Revised, 1916-17.*

	(Lakhs of rupees)
(*i*) Works expenditure	34·17
(*ii*) Establishment and miscellaneous charges . . .	5·83
Total .	40·00

Of the works expenditure about R5 lakhs are being spent on the preparation of sites and other preliminary work; R8 lakhs on the purchase of tools and plant and other stores; and about R18 lakhs on work on the Government House and the Secretariat and the construction of certain residential buildings.

256. The provisional distribution of the Budget estimate of R40 lakhs is given below :— *Budget, 1917-18.*

	(Lakhs of rupees.)
(*i*) Works expenditure	33·60
(*ii*) Establishment and miscellaneous charges	6·40
Total .	40·00

Of the grant of R33·60 lakhs for works outlay, about R5 lakhs will be required for the preparation of sites and other preliminary work and for the further purchase of tools, plant and other stores. A sum of R2½ lakhs will be spent on sanitation and the balance will be applied mainly to the construction of buildings on which work has already been commenced.

WAYS AND MEANS.

HOME TREASURY.

Introductory.

257. The bulk of the payments made in England on account of the Government of India consist of expenditure chargeable to the Indian revenues; and if such payments represented the only transactions, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways and irrigation works, however, necessitates heavy borrowing, and when practicable, a large portion of the money required is raised in England, either direct or through the agency of Companies. A further complication is introduced by the practice under which all payments made in England to Railway Companies working purchased lines, for purchase of stores and other capital purposes, as well as all moneys raised by them, and paid into the Home treasury, are brought to account under the appropriate heads in this country and are treated in the Home accounts and estimates as remittances to or from India, respectively. Operations connected with the Gold Standard and Paper Currency Reserves, and with the replacement of one particular form or item of direct or indirect debt by another, also largely swell the receipts and charges of the Home treasury without affecting ordinarily the general Ways and Means programme.

258. The items mentioned in the preceding paragraph constitute the bulk of the transactions of the Home treasury in normal years. The conditions created by the war have led to certain abnormal transactions which have considerably affected the Ways and Means position in 1915-16 and 1916-17 and will continue to affect it in 1917-18. Large sums are being received in England from the Imperial Government and the Governments of Australia and East Africa in repayment of expenditure incurred on their behalf in India. These indirect remittances from India have largely increased the resources of the Home treasury and reduced the need for direct remittances by Councils to finance its requirements.

259. The following are the details of the transactions appearing in the Budget and Revised estimates of the Home treasury for 1916-17 and in the Budget estimate of 1917-18.

	Budget, 1916-17.	Revised, 1916-17.	Budget, 1917-18.
RECEIPTS.	£	£	£
Temporary debt incurred	5,500,000	2,000,000	...
Capital raised and deposited by Railway Companies—			
For Capital outlay	2,000	12,500	2,000
*For discharge of debentures	2,930,400	...	3,531,400
Deposits and Advances—			
Gold Standard Reserve	13,726,700	24,548,300	29,069,600
*Paper Currency Reserve	12,000,000	47,389,000	46,618,000
*War transactions: Recoveries from War Office	1,398,500	2,492,300	1,226,000
Other items	715,500	1,288,900	813,900
Remittance Account between England and India—			
Railway transactions (capital)	500,000	...	1,260,000
Ditto (capital advance)	6,500	16,500	6,500
War transactions: Recoveries from War Office	19,415,000	38,532,500	42,385,000
" recoveries from other authorities	1,756,000	4,229,700	2,486,000
Other transactions	1,503,500	3,398,100	2,390,000
Total Receipts, excluding Council Bills and Loans	59,454,100	123,907,800	129,788,400
DISBURSEMENTS.			
Excess of Expenditure over Revenue	19,067,200	20,323,800	24,343,400
Capital Expenditure not charged to Revenue—			
Outlay on State Railways, Irrigation Works and Delhi	826,800	352,200	953,100
Outlay of Railway Companies	412,200	397,200	658,500
*Payments to Railway Companies for discharge of debentures	2,930,400	75,000	3,531,400
Permanent Debt discharged	500,000	500,000	500,000
Temporary Debt discharged	7,000,000	9,000,000	...
Deposits and Advances—			
Gold Standard Reserve	12,469,200	24,340,900	29,069,600
*Paper Currency Reserve	12,000,000	47,389,000	46,618,000
*War transactions—outlay recoverable from War Office	1,398,500	2,492,300	1,226,000
Other transactions	738,600	633,600	472,500
Remittance Account between England and India—			
Repayment of Gold Standard Reserve loan	...	4,000,000	...
Payment of Indian War loan to the Lords Commissioners of His Majesty's Treasury	...	...	10,000,000
Railway transactions (capital)	500,000	...	1,260,000
Ditto (capital advance and revenue)	1,307,700	768,800	1,391,700
War transactions—outlay recoverable from War Office	2,566,000	5,653,000	4,281,500
" outlay recoverable from other authorities	...	33,300	...
Purchase of silver	...	16,000,000	2,758,000
Other transactions	1,715,000	3,001,400	2,789,500
Total Disbursements	63,431,600	134,960,500	129,853,200
NET DISBURSEMENTS	3,977,500	11,052,700	64,800
Financed as follows—			
Council Bills	3,885,000	9,669,000	...
Reduction of cash balance	92,500	1,383,700	64,800
Total	3,977,500	11,052,700	64,800
Opening Balance	(a) 14,475,500	(b)12,803,300	(c) 11,419,600
Closing Balance	(a) 14,383,000	(b)11,419,600	(c) 11,354,800

*The heads marked with an asterisk appear on both the receipt and payment sides. As the receipt and corresponding disbursement in each case are generally equal, they do not affect the Ways and Means of the year to any material extent.

(a) Of these amounts £7,787,400 and £9,044,900 represent funds of the Gold Standard Reserve.
(b) " " £5,792,600 and £6,000,000 " " " "
(c) " " £6,000,000 and £6,000,000 " " " "

Revised, 1916-17.

260. The table in paragraph 259 shows that there will be a net disbursement of £11,052,700 from the Home treasury in 1916-17 and that its balances at the end of the year will amount to about £11½ million. Of the former amount £9,669,000 will be financed from Council Bills drawn against treasury balances in India, and £1,383,700 will be met by a reduction of the cash balances of the Home treasury. Allowing for the fact that the net disbursement of £3,977,500 in the Budget estimate for 1916-17 included a net receipt of £1,257,500 from the Gold Standard Reserve against £207,400 now anticipated, the Revised estimate shows a deterioration of £6,025,100 as compared with the Budget, apart from the transactions connected with the Gold Standard Reserve. This deterioration is the net result of the following variations from Budget anticipations:—

	£
(*i*) Purchase of silver	16,000,000
(*ii*) Discharge of India bills	5,500,000
(*iii*) Payment to the Gold Standard Reserve of loan taken in India	4,000,000
(*iv*) Increase in net expenditure chargeable to revenue	1,256,600
(*v*) Net discharge of debentures of Railway Companies	75,000
Total increase in outgoings	26,831,600
(*vi*) Larger recoveries from the War Office in respect of expenditure incurred in India on its behalf	16,030,500
(*vii*) Larger recoveries from other authorities in respect of expenditure incurred in India on their behalf in connection with the war (the Ministry of Munitions, the Australian Commonwealth and the East African Protectorate)	2,440,400
(*viii*) Savings in total grants for capital expenditure on railways, irrigation works and Delhi (inclusive of the net outlay of the various companies)	1,049,000
(*ix*) Increase in net receipts in connection with miscellaneous deposit and remittance transactions	1,286,600
Total increase in receipts or decrease in outgoings	20,806,500
Net deterioration	6,025,100

261. The principal items working up to the increase of £1,286,600 in the net receipts from miscellaneous deposit and remittance transactions, shown in the table in the preceding paragraph, are: (*i*) increase of £417,600 in the receipts from enemy ships inclusive of sums received in England on account of vessels under the control of authorities in India; (*ii*) receipts amounting to £119,000, on account of the Burma War Fund which will remain temporarily in the Home treasury balances at the end of the current year; (*iii*) increase of £365,200 in net receipts on account of postal and money order transactions between India and foreign countries, (*iv*) recoveries amounting to £650,100 in respect of coinage executed in India for the Egyptian Government and funds supplied to Ceylon, (*v*) recovery from the Home Government of £300,000 on account of a moiety of certain special expenditure in Persia which is provided in the first instance in full from Indian funds, (*vi*) payment to the Home Government of £370,000 on account of surplus revenues of the occupied territories in Mesopotamia in respect of the years 1915-16 and 1916-17 which have been brought to account in India, and (*vii*) increased payments of bills to the extent of about £300,000 drawn to meet expenditure on Indian account in Persia.

262. The total drawings of Council bills on India in 1916-17 are expected to amount to £33,015,700. Of this sum, £9,669,000 will be utilised, as already stated, to meet the disbursments of the Home treasury; while £4,347,000 will be appropriated as a remittance on behalf of the Gold Standard Reserve of the coinage profits and other receipts which have accrued to the Reserve in India, and £18,999,700 as a remittance of the Paper Currency Reserve.

The cash balance of the Home treasury at the end of 1916-17, exclusive of the sum held on account of the Gold Standard Reserve, is now estimated at about £5·4 million against a Budget forecast of £5·3 million.

1916-17 Capital raised and deposited by Railway Companies.

263. The details of the transactions in respect of capital raised and deposited by Railway Companies are as follows:—

	Budget, 1916-17.	Revised, 1916-17.
	£	£
RECEIPTS.		
(*a*) *Subscribed Capital*—		
To discharge Debentures—		
Assam-Bengal Railway	75,000	...
Bengal-Nagpur Railway	2,100,400	...
Madras and Southern Mahratta Railway	755,000	...
	2,930,400	...
(*b*) *Miscellaneous*—		
Transfer fees, etc.	2,000	12,500
TOTAL RECEIPTS	2,932,400	12,500
ISSUES.	£	£
For discharge of Debentures	2,930,400	75,000
For Capital outlay, *i.e.*, Stores, Establishment Charges, etc.	412,200	397,200
TOTAL	3,342,600	472,200

The Budget estimate provided for the renewal or replacement by fresh capital of £2,930,400 debentures of the Assam-Bengal, Bengal-Nagpur, and Madras and Southern Mahratta Railway Companies. Of these, debentures to the value of £2,350,400 have been renewed, further debentures of the value of £505,000 which mature on the 1st April 1917 will be renewed or replaced by fresh capital in 1917-18, and the remainder of the value of £75,000 have been discharged from funds supplied by the Secretary of State.

1916-17. Railway remittances.

264. The following are the details of the Railway remittance transactions. As already explained, they occur almost wholly in connection with the capital account of the purchased lines worked by companies:—

	Budget, 1916-17.	Revised, 1916-17.
	£	£
RECEIPTS.		
Debenture Capital—		
South Indian Railway	500,000	...
Miscellaneous—		
Transfer fees, etc.	6,500	16,500
Total	506,500	16,500
ISSUES.		
Advances for purchase of stores—		
East Indian Railway	485,800	247,700
South Indian Railway	189,600	88,700
Bengal and North-Western Railway	22,700	14,700
Great Indian Peninsula Railway	280,000	233,500
Bombay, Baroda and Central India Railway (including Rajputana-Malwa Railway)	281,000	140,500
TOTAL	1,259,100	720,100
Discharge of Debentures—		
South Indian Railway	500,000	...
Miscellaneous payments—		
East Indian Railway: rental paid to South Behar Railway Company	30,000	30,000
Rohilkhand and Kumaon Railway: Interest on Debenture Stock allocated to State works	18,600	18,700
TOTAL ISSUES	1,807,700	768,800

265. The Budget estimate contemplated the replacement by fresh capital of £500,000 debentures of the South Indian Railway Company which would mature during the year. The debentures have been renewed.

Loans, 1916-17.

266. In accordance with the Budget programme, £500,000 India bonds have been discharged in the current year. The Budget contemplated the discharge of £1½ million of India bills and the renewal of the balance of bills for £5½ million issued at the commencement of the war. An improvement in the resources of the Government of India and the transfer of the surplus resources to London through the heavy indirect remittances and the strong demand for Council bills enabled the Secretary of State not only to discharge the India bills for £7 million in full, but to make a payment of £4 million to the Gold Standard Reserve, thus completing the repayment of the temporary loan taken in India from the Reserve in the first year of the war.

Budget, 1917-18.

267. The Budget estimate provides for a net disbursement of £64,800. The betterness of £10,987,900 as compared with the net disbursement of £11,052,700 in the current year's Revised is the net result of the following variations :—

Worse.

	£
Payment to His Majesty's Government of proceeds of Indian War loan	10,000,000
Net Expenditure on Revenue Account, *more*	4,019,600
Receipts on account of the Gold Standard Reserve (net), *less*	207,400
Receipts from authorities other than the War Office in respect of recoverable outlay incurred in India in connection with the war, *less*	1,710,400
Net payments to Railway Companies, *more*	829,700
Outlay on State Railways, *more*	610,400
Deposits, Advances and Miscellaneous Remittance transactions, *net worse*	1,110,100

Better.

	£
Payment to Gold Standard Reserve, *less*	4,000,000
Temporary Debt discharged, *less*	7,000,000
Receipt from the War Office in respect of recoverable outlay incurred in India in connection with the war, *more*	5,224,000
Outlay on New Capital at Delhi, *less*	7,300
Outlay on Irrigation Works, *less*	2,200
Purchase of silver, *less*	13,242,000

268. The details working up to the increase of £829,700 in the net payments to Railway Companies shown in the preceding paragraph are given below :—

	Revised, 1916-17. £	Budget, 1917-18. £
RECEIPTS—		
Capital deposits by Railway Companies—		
For capital outlay	12,500	2,000
For discharge of debentures	...	3,531,400
Remittance account between England and India—		
Railway transactions	16,500	1,266,500
Total receipts	29,000	4,799,900
DISBURSEMENTS—		
Capital expenditure not charged to Revenue—		
Outlay of Railway Companies	397,200	658,500
Payments for discharge of debentures	75,000	3,531,400
Remittance account between England and India—		
Railway transactions	768,800	2,651,700
Total disbursements	1,241,000	6,841,600
NET DISBURSEMENTS	1,212,000	2,041,700
Increase	829,700	

269. The reduction in the net receipts on account of the Gold Standard Reserve in 1917-18, as compared with 1916-17, arises from variations in the amount of funds of the Reserve held in the balances of the Home treasury at the beginning and at the end of each of the two years. The amount so held stood at £5,792,600 on the 1st April 1916, and is expected to stand at £6 million at the end of the current and next years. Full details of the transactions of the Reserve in the two years are given in paragraph 273.

270. The deterioration of £1,110,100 under Deposits, Advances and Miscellaneous Remittance transactions mentioned in paragraph 267 is the net result of the following principal causes of variation: (1) a decrease in the net receipts in connection with enemy vessels and in the recoveries on account of coinage for Egypt; (2) absence of the special receipts in the current year in connection with the supply of funds to Ceylon and on account of the Burma War Fund, and (3) a special adjustment in 1917-18 in connection with the appropriation to revenue of the profits from the wheat scheme of 1915.

Loans, 1917-18.

271. Provision has been made in the Budget for the discharge of £500,000 India Bonds.

272. The net disbursement of £64,800 in 1917-18, will be met by drawing on the cash balances of the Home treasury which are estimated to stand at the end of 1917-18 at £11,354,800 inclusive of £6,000,000 held on behalf of the Gold Standard Reserve.

1916-17 and 1917-18.

273. The following are the details of the transactions of the Gold Standard Reserve in England :—

Gold Standard Reserve.

	1916-17.		1917-18.
	Budget.	Revised.	Budget.
	£	£	£
RECEIPTS.			
(*a*) Dividends on investments, discount on Treasury bills, interest on loans at short notice, etc. . .	875,900	806,600	1,697,500
(*b*) Remittance from India through Council Bills	...	4,347,000	...
(*c*) Exchequer Bonds, British Treasury bills and Colonial Government securities, etc., paid off . .	12,850,800	13,394,700	27,372,100
(*d*) Repayment of temporary loan made to Home treasury . . .	...	2,000,000	...
(*e*) Repayment of temporary loan made to treasury balances in India .	...	4,000,000	...
Total .	13,726,700	24,548,300	29,069,600
CHARGES.			
Investments made . . .	12,469,000	22,340,700	29,069,600
Temporary loan to Home treasury .	...	2,000,000	...
Custody of gold at the Bank of England	200	200	...
Total .	12,469,200	24,340,900	29,069,600

274. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1916-17. £	Revised, 1916-17. £	Budget, 1917-18. £
OPENING BALANCE—			
(*a*) Invested (cost price) . . .	15,553,000	16,731,100	25,677,100
(*b*) Uninvested —			
(1) Gold held in India . .	245,200	238,700	18,400
(2) Cash in the Home treasury placed at short notice . .	7,787,400	5,792,600	6,000,000
(3) Balance due from Treasury balances in India . .	...	1,300	100,000
(4) Temporary loan to Treasury balances in India . .	4,000,000	4,000,000	...
	27,585,600	26,763,700	31,795,500
CLOSING BALANCE—			
(*a*) Invested (cost price) . .	15,171,200	25,677,100	27,374,600
(*b*) Uninvested—			
(1) Gold held in India . .	385,200	18,400	118,400
(2) Cash in the Home treasury placed at short notice.	9,044,900	6,000,000	6,000,000
(3) Temporary loan to Treasury balances in India . .	4,000,000	...	...
(4) Balance due from Treasury balances in India.	...	100,000	...
	28,601,300	31,795,500	33,493,000
Difference between opening and closing balances representing net income in the year and made up as follows:—			
(1) Interest, etc., on investments in England (*vide* paragraph 273)	875,900	806,600	1,697,500
Less charge for custody of gold	—200	— 200	...
(2) Interest on temporary loan to Treasury balances in India . .	140,000	125,400	...
(3) Profit on new coinage credited to the Reserve	...	4,100,000	...
TOTAL .	1,015,700	5,031,800	1,697,500

275. The following is a summary of the figures relating to Council Bills and the Sterling Debt of Government and of Railway Companies (omitting transfer fees, etc.), included in the estimates for 1916-17 and 1917-18 :— *1916-17 and 1917-18. Summary of Debt transactions and Capital account of Railway Companies.*

RECEIPTS.	Budget, 1916-17. £	Revised, 1916-17. £	Budget, 1917-18. £
Council Bills	3,885,000	9,669,000	...
Temporary Debt incurred . .	5,500,000	2,000,000	...
Receipts on account of the Subscribed Capital of Railway Companies	2,930,400	...	3,531,400
Receipts on account of the Debenture Capital of Railway Companies working purchased Railways	500,000	...	1,260,000
OUTGOINGS.			
Permanent Debt discharged . .	500,000	500,000	500,000
Temporary Debt discharged . .	7,000,000	9,000,000	...
Discharge of Railway Companies' Debentures (inclusive of Debentures of Companies working purchased lines) . .	3,430,400	75,000	4,791,400

No provision is made for Council bill drawings in the Budget estimate for the next year; trade demands for remittances to India will have to be financed by special measures such as the further purchase of silver or investments on behalf of the Paper Currency Reserve.

INDIA.

276. The following is a summary of the Estimates of Ways and Means in India during 1916-17 and 1917-18 :—

	Budget Estimate, 1916-1917.		Revised Estimate, 1916-1917.		Budget Estimate, 1917-1918.	
	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R 15=£1.
Receipts.	R	£	R	£	R	£
1. Excess of Revenue over Expenditure charged to Revenue	29,83,94,000	19,892,900	39,46,86,000	26,312,500	36,71,81,000	24,478,800
2. Capital raised through Companies towards outlay on State Railways	45,000	3,000	...	...	...	...
3. Capital contributed by Native States towards outlay on State Railways	10,00,000	66,700	10,00,000	66,700	10,00,000	66,700
4. Unfunded Debt incurred, mostly Savings Bank deposits (net)	38,21,000	254,700	2,51,24,000	1,675,000	2,89,01,000	1,926,700
5. Appropriation for Reduction or Avoidance of Debt	78,16,000	521,100	69,36,000	462,400	78,64,000	524,200
6. Other Deposits and Remittances (net)—						
(a) War Stores—Suspense	—7,04,000	—46,900	—2,71,65,000	—1,811,000	11,86,000	79,100
(b) Other Transactions	—59,93,000	—399,400	44,04,000	293,600	—1,95,000	—13,000
7. Remittance account between England and India—						
(a) Purchase of Silver	...	...	22,81,58,000	15,210,500	6,28,60,000	4,190,700
(b) Transactions of Railway Companies (net) excluding debenture capital	1,95,18,000	1,301,200	1,12,84,000	752,300	2,07,78,000	1,385,200
Total Receipts excluding loans	32,38,97,000	21,593,300	64,44,27,000	42,962,000	48,95,75,000	32,638,400
Disbursements.						
8. Capital Expenditure not charged to Revenue—						
(a) State Railways and Irrigation Works	4,38,97,000	2,926,400	2,33,03,000	1,553,500	4,32,91,000	2,886,100
(b) Initial expenditure on new Capital at Delhi	32,30,000	215,400	36,66,000	244,400	37,75,000	251,700
(c) Outlay by Companies (net)	—31,82,000	—212,100	—25,18,000	—167,800	—42,11,000	—280,700
9. Permanent Debt discharged (net)	1,68,000	11,200	44,14,000	294,300	12,50,000	83,300
9(a). Temporary Debt discharged	...	...	6,00,00,000	4,000,000	50,00,000	333,300
*10. Provincial surpluses (—) or deficits (+)	52,89,000	352,600	—2,41,06,000	—1,607,000	14,67,000	97,800
11. Imperial and Provincial Loans (net)	—59,20,000	—394,600	—77,67,000	—517,800	—22,51,000	—150,100
12. Remittance account between England and India—						
(a) Capital raised by Railway Companies (net)	...	...	...	...	...	...
(b) War Office transactions (net)	25,27,35,000	16,849,000	51,72,45,000	34,483,000	54,75,00,000	36,500,000
(c) Transactions on behalf of authorities † other than the War Office (net)	2,63,40,000	1,756,000	5,85,50,000	3,903,400	4,07,45,000	2,716,400
(d) Adjustment in respect of repayment of loan to the Gold Standard Reserve	...	...	—6,00,00,000	—4,000,000	...	...
(e) Other transactions (net)	—40,59,000	—270,600	82,53,000	550,200	—47,08,000	—313,900
‡13. Council Bills	5,82,75,000	3,885,000	12,87,88,000	8,585,900	70,00,000	466,700
Total Disbursements	37,67,73,000	25,118,300	70,98,28,000	47,322,100	63,88,58,000	42,590,600
Net Disbursements	5,28,76,000	3,525,000	6,54,01,000	4,360,100	14,92,83,000	9,952,200
Financed as follows:						
Permanent Debt incurred	6,50,00,000	4,333,300	11,23,00,000	7,486,700	10,50,00,000	7,000,000
Reduction of (+) or addition to (—) Treasury Balances	—1,21,24,000	—808,300	—4,68,99,000	—3,126,600	4,42,83,000	2,952,200
Total	5,28,76,000	3,525,000	6,54,01,000	4,360,100	14,92,83,000	9,952,200
Opening Balance	17,17,79,000	11,451,900	18,02,41,000	12,016,100	22,71,40,000	15,142,700
Closing Balance	18,39,03,000	12,260,200	22,71,40,000	15,142,700	18,28,57,000	12,190,500

* Head (10) represents expenditure defrayed by reduction of Provincial balances.
† These are the Ministry of Munitions, the Commonwealth of Australia and the East African Protectorate.
‡ The figures shown under head (13) differ from those given in the Home Treasury Ways and Means statement, as Bills drawn by the Secretary of State towards the end of one year are paid in India in the next. The figures of the present statement represent payments in India.

1916-17. Main features of Budget estimates.

277. In the Budget estimate for 1916-17, the cash balance in the Indian treasuries on the 1st April 1916, was taken at R17,18 lakhs. It was estimated that (1) the net Imperial revenue in India would amount to R29,84 lakhs, (2) there would be a net receipt of R38 lakhs under Unfunded debt, (3) a sum of R78 lakhs would be available from the Famine Insurance grant for the avoidance of debt, (4) a net receipt of R59 lakhs would accrue in connection with Imperial and Provincial loans, and (5) the remittance and capital transactions of railway companies, would result in a net credit of R1,95 lakhs.

On the other hand, provision was made for : (1) a net expenditure of R53 lakhs from Provincial balances, (2) capital expenditure in India on railways

(inclusive of outlay by companies) and canals to the extent of ₹4,07 lakhs, (3) an outlay of ₹32 lakhs on the construction of the new capital at Delhi, (4) the discharge of ₹2 lakhs of permanent debt, (5) a recoverable outlay of ₹25,27 lakhs in connection with the war on behalf of the War Office and a further outlay of ₹2,63 lakhs on behalf of the Ministry of Munitions and the Commonwealth of Australia, (6) a net payment of ₹16 lakhs on account of miscellaneous deposit and remittance transactions inclusive of capital contributed by Native States for the construction of State Railways, and (7) the payment of Council bills to the extent of ₹5,83 lakhs.

The total payments mentioned above aggregate ₹38,83 lakhs, against a total receipt of ₹33,54 lakhs; and to meet the net disbursement of ₹5,29 lakhs it was proposed to raise a rupee loan of ₹6½ crores. The surplus of ₹1,21 lakhs would raise the Indian cash balance from ₹17,18 lakhs at the beginning of 1916-17, to ₹18,39 lakhs at the end of the year.

278. The results, ccording to the Revised estimate, show considerable variations from this forecast. The year opened with a cash balance which was ₹85 lakhs more than the Budget forecast, the increase being due to the improvement in the revenue account in 1915-16 over the Revised estimate (see paragraph 7), partly counterbalanced by a deterioration in other transactions. The proceeds of the conversion loan of 1916-17 inclusive of the Post Office section amounted to ₹6,73 lakhs, and it is expected that a sum of ₹4½ crores will be received in the current year in respect of the Indian war loan which is open for subscriptions from the 15th March 1917. The recoverable war expenditure has risen very heavily during the year and there has also been an acute demand for private remittance of funds to India by Council bills. On the other hand, there has been a very satisfactory growth in revenue as well as in Postal Savings Bank deposits, while substantial lapses are anticipated in the grants for railway and irrigation capital outlay. The Secretary of State has also purchased large quantities of silver, the purchase price of which forms an addition to the Indian treasury balances on arrival of the silver in India. With these improvements in resources, it will be possible to meet the recoverable war expenditure in full and in addition direct remittances to the Home treasury to the extent of ₹12,88 lakhs and to close the year with a balance of ₹22,71 lakhs. This balance will, however, have stood at ₹18,21 lakhs only but for the receipts anticipated in the last fortnight of the year in respect of the Indian war loan.

1916-17.—Main features of Revised estimates.

279. Taking the year as a whole, the net receipts into treasuries in India in 1916-17, after allowing for the receipts from the conversion loan, but excluding those from the war loan, will amount to ₹19 lakhs against the Budget estimate of ₹1,21 lakhs, the decrease being due to the following variations :—

	[Lakhs of Rupees]
(1) Reduction in amount available from the Famine Insurance grant for the avoidance of debt . . .	9
(2) Increased debits to the war stores suspense head representing cost of military stores and equipment charged to the suspense head pending their allocation to forces or to Indian requirements	2,65
(3) Reduction in net credits on account of remittance and capital transactions of railway companies, owing mainly to a decrease in the capital expenditure which is incurred in England and is passed on to India for adjustment in the Indian accounts	82
(4) Increase in outlay on new capital at Delhi . . .	4
(5) Larger discharge of debt made up of (*i*) 12 lakhs annual instalment of Gwalior loan, repayment of which was not contemplated in Budget and, (*ii*) 3 and 3½ per cent. rupee debt cancelled by issue of smaller face value of 4 per cent. paper in connection with conversion loan of 1916-17 .	42
(6) Increase in expenditure incurred on behalf of the War Office .	26,45
(7) Increase in expenditure incurred on behalf of other authorities, *viz.*, Ministry of Munitions, Australian Commonwealth and East African Protectorate . . .	3,22
(8) Increase in payment of Council bills from treasury balances	7,05
(9) Increase in net payments in connection with miscellaneous deposit and remittance transactions . . .	20
Total increase in outgoings or reduction in receipts . .	40,94

(10)	Improvement in the combined revenue account of the Imperial and Provincial Governments.	12,57
(11)	Improvement under Unfunded debt owing chiefly to new deposits into Post Office Savings Banks	2,13
(12)	Additions to treasury balances on account of value of silver purchased by the Secretary of State	22,82
(13)	Lapse in the grant for capital expenditure on railways (inclusive of outlay by companies) and irrigation works . .	1,99
(14)	Increase in net recoveries of Imperial and Provincial loans .	18
(15)	Increased receipts from conversion loan	23
	Total increase in receipts or reduction in outgoings . .	39,92
	Decrease in net receipts	1,02

280. The increase of ₹20 lakhs in the net payments in connection with miscellaneous deposit and remittance transactions shown in the above analysis, results from a number of variations, the more important of which are mentioned below. Coinage executed in India on behalf of the Egyptian Government and a remittance of funds to the Ceylon Government involve a net disbursement of ₹1,07 lakhs; special expenditure in Persia necessitated by the war is being met to the extent of ₹45 lakhs from Indian resources pending recovery from the Home Government by the Secretary of State; while payments on account of postal and money order transactions with foreign countries will be higher by ₹55 lakhs. On the other hand, a special receipt of ₹53 lakhs is anticipated from the liquidation of hostile firms; a sum of ₹38 lakhs will be brought to account in India on account of the surplus revenues of the occupied territories in Mesopotamia, pending payment to the Home Government in London; there will be a nominal receipt of ₹36 lakhs from the cancellation of debt by the issue of a smaller face value of 4 per cent. rupee paper in return for 3 and $3\frac{1}{2}$ per cent. securities in connection with the conversion scheme of 1916-17, the amount of debt so cancelled being treated as debt discharged by a *per contra* credit under miscellaneous deposits; a *pro formâ* credit of about ₹45 lakhs arises under the remittance head in connection with the adjustment of special expenditure in Persia on Indian account financed by bills drawn on London; and the deposits of local funds and other miscellaneous deposit transactions will also show a substantial improvement.

1916-17, Rupee loan.

281. It was announced last year that the rupee loan to be raised in 1916-17, would be accompanied by privileges for the conversion of 3 and $3\frac{1}{2}$ per cent rupee paper and that applications would be invited for ₹6 crores apart from the proceeds of the Post Office section, though Government would be ready to receive subscriptions up to a further sum of ₹6 crores, the extra receipts being devoted to the repayment of the temporary loan of £4 million which was still due to the Gold Standard Reserve. The terms of the loan were notified on the 8th June and applications received up to the 1st July. The proceeds of the main loan totalled ₹640 lakhs. A supplementary section of the loan was issued for receiving subscriptions from small investors through the Post Office, and about ₹33 lakhs were received from this section which remained open till the 25th September 1916.

1917-18.—Main features of Budget estimate.

282. In 1917-18 the net Imperial revenue is estimated at ₹36,72 lakhs; a sum of ₹79 lakhs will be available from the Famine Insurance grant for the avoidance of debt; the remittance and capital transactions of railway companies are likely to result in a net credit of ₹2,08 lakhs; net receipts of ₹2,89 lakhs and ₹23 lakhs are anticipated respectively in connection with Unfunded debt and Imperial and Provincial loans; there will be a credit of ₹6,29 lakhs on account of silver paid for by the Secretary of State in 1916-17 which will be brought to account in India in 1917-18 and further purchase of silver to the value of £2·8 million which it is assumed for the purpose of the estimates that he will make in the latter year; and miscellaneous deposit and remittance transactions inclusive of capital contributed by Native States for the construction of State Railways will result in a net receipt of ₹67 lakhs. On the other hand, provision has been made: (1) for an expenditure of ₹15 lakhs from Provincial balances; (2) for a payment of ₹63 lakhs in

connection with the discharge of debt, the main items being the annual instalment of ₹12 lakhs in repayment of the Gwalior loan of 1887 and the repayment of the temporary loan of ₹50 lakhs taken from the same State at the beginning of the war; (3) for capital expenditure of ₹3,91 lakhs in India on railways and canals and of ₹38 lakhs on Imperial Delhi; (4) for payment of Council bills which remain unpaid at the end of the current year to the extent of ₹70 lakhs; and (5) for a recoverable outlay of ₹54,75 lakhs to be incurred on behalf of the War Office and of ₹4,08 lakhs on behalf of other authorities. The total amount of funds required by the Government of India next year therefore aggregates ₹64,60 lakhs while the receipts at its disposal amount only to ₹49,67 lakhs.

283. It has been decided to raise a war loan in India on attractive terms, the proceeds of which, provisionally estimated at £10 million, will be made over to the Home Government as a war contribution. The payment to the Home Government will be made by the Secretary of State, but the loan subscriptions are received in India and will be available for Ways and Means purposes here. Out of the estimated receipts of ₹15 crores, it is expected that ₹4½ crores will be received in the current year and the balance of ₹10½ crores in 1917-18. Deducting the latter sum, the balance of the deficiency in resources *viz.* ₹4,43 lakhs will be found by drawing on the cash balances, which will stand on the 31st March 1918 at ₹18,28 lakhs.

284. The following table gives details of the transactions of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1916-17 and 1917-18:— *1916-17 and 1917-18.*

Post Office Savings Banks, etc.

Year.	Net additions to deposits, cash.	Interest.	Total addition.
1906-07	50,94,000	52,25,000	1,03,19,000
1907-08	14,86,000	53,50,000	68,36,000
1908-09	—26,22,000	54,63,000	28,41,000
1909-10	51,82,000	57,20,000	1,09,02,000
1910-11	1,05,06,000	60,82,000	1,65,88,000
1911-12	1,95,69,000	67,79,000	2,63,48,000
1912-13	1,68,26,000	73,79,000	2,42,05,000
1913-14	2,37,05,000	84,07,000	3,21,12,000
1914-15	—8,35,53,000	78,82,000	—7,56,71,000
1915-16	57,38,000	70,96,000	1,28,34,000
1916-17 (Revised)	1,63,76,000	79,22,000	2,42,98,000
1917-18 (Budget)	1,74,86,000	1,06,22,000	2,81,08,000

285. The net deposits in Postal Savings Banks in the current year are now estimated at ₹96 lakhs. The Budget estimate for 1917-18 anticipates a further net deposit of ₹75 lakhs in these Banks and a growth of ₹66 lakhs in the deposits in the various Provident Funds for Government servants. There will also be a net receipt of ₹34 lakhs from the Provident Funds of railway companies which will be taken over by Government from the 1st April 1917 (*vide* paragraph 69), made up of net deposits of ₹12½ lakhs during the year and cash balances amounting to ₹21½ lakhs which will be handed to Government at the time of the transfer of the funds.

J. B. BRUNYATE.

The 21st March 1917.

Appendix I.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

Prefatory Note.

I.—Scope of pro formâ account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Comptroller General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure.*

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the reconstruction of the accommodation of the troops already there had long been recognised as pressing. Similarly, the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in this city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formâ account and the regular accounts.

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "51—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "48—State Railways."

Item 1 of Part I of *pro formâ* account.

Item 3 (*b*), *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Comptroller General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "45—Civil Works." Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e.g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXXI—Civil Works."

Item 2, *ibid.*

Item II, *ibid.*

Items 1 and I of Part II of *pro formâ* account.

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or, secondly, as departmental expenditure chargeable to the Department in which it is incurred.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations, and are eventually published separately, like the figures for Coorg and Baluchistan, in an appendix to the Civil Estimates. But as the Civil Estimates are not published till late in the year, a special arrangement has been made by which the figures for the Delhi province under each major head are separately shewn in the various sections of the Financial Secretary's memorandum (*e.g.*, I and 3, Land Revenue, page 21). It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and, consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (*a*) and III of Part I of *pro formâ* account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department, neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7 and I and IV of Part I, and Items 2 and 3 and II to V of Part II of *pro formâ* account.

Item I of Part I.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure in Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads "XXV—Miscellaneous" and "XXXI—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

EXPENDITURE.	Actuals to end of 1915-16.	Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "51" (for details see Statement I-A)	1,88,80	40,00	40,00
2. Temporary Delhi *	54,33	...	...
3. Initial expenditure of non-Civil Departments :—			
(*a*) Military services †	46,67	8,80	10,00
(*b*) Railways ‡	5,34	4	2
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	1,26	...	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	2,03	...	...
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	1,24	38	38
7. Miscellaneous items §	2,60	70	64
TOTAL	3,02,27	49,92	51,04
Total Expenditure to end of 1917-18		4,03,23	
Net expenditure to end of 1917-18		4,01,50	

RECEIPTS.	Actuals to end of 1915-16.	Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move ‖	...	...	...
II.—Non-recurring receipts on account of Temporary Works	...	...	...
III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi ‖	...	...	...
IV.—Miscellaneous items	35	64	74
TOTAL	35	64	74
Total receipts to end of 1917-18		1,73	

*NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

†NOTE 2.—The expenditure included under item 3 (*a*) is that relating to the formation of the new Cantonment. Its details are as follows :—

	To end of 1915-16.	1916-17.	1917-18.
Acquisition of land	13,10	—	—
Cost of buildings	30,09	7,89	10,00
Establishment charges	2,28	81	
Tools and Plant	1,20	10	
TOTAL	46,67	8,80	10,00

‡ NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Raya.

§ NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Delhi Audit Office and the cost of temporary establishments employed in the Secretariats in connection with the change of Capital.

‖ NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus in 1913-14, 1914-15 and 1915-16 the Government of Bengal, by moving their offices into the vacated Imperial buildings in Calcutta, saved R2,24,000, partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1915-16.	Revised Estimate, 1916-17.	Budget Estimate, 1917-18.	Receipts	Actuals, 1915-16.	Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
1. Expenditure of Delhi Province * . .	34,74	35,53	31,19	I.—Revenues of Delhi Province*	16,29	21,00	18,82
2. Compensatory assignment to Punjab Provincial revenues in respect of extra expenditure incurred in administering territories which have been transferred from the old Delhi district to the districts of Rohtak and Gurgaon . .	13	13	13	II.—Assignment from Punjab Provincial revenues to Imperial on account of the creation of the new Province of Delhi, with effect from the 1st October 1912† .	1,91	1,91	1,91
3. Miscellaneous items .	7	6	6	III.—Saving under Calcutta house allowances‡ .	42	38	39
				IV.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices.§ . .	2,50	2,50	2,50
Total expenditure .	34,94	35,72	31,38	V.—Miscellaneous items .	3	3	3
Net expenditure .	13,79	9,90	7,73	Total receipts .	21,15	25,82	23,65

* NOTE 1.—The details of this item are given in Statement II-A.

† NOTE 2.—This assignment represents the amount by which the Provincial outlay on the Delhi area exceeded the Provincial revenue obtained therefrom prior to the constitution of the Imperial enclave, *i.e.*, the net expenditure incurred on the area of which the Local Government has now been relieved.

‡ NOTE 3.—The figures shown against item III will be subject to increase as additional offices are successively transferred from Calcutta to Delhi.

§ NOTE 4.—The figure shown against item IV is a minimum figure calculated once for all on the assumption that all office or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I.-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part 1 of pro formâ *account.*

[Figures in thousands of Rupees.]

Items.	Actuals up to end of 1915-16.	Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
A.—Salaries and allowances—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers*	2,04	...	...
(ii) Non-gazetted officers	14	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	11,81	4,49	4,06
(ii) Non-gazetted officers	5,03	2,24	2,16
(*c*) Other officers employed on the Project—			
(i) Gazetted officers*	2,20	16	21
(ii) Non-gazetted officers	83	23	22
B.—Travelling allowances of Officers and Establishment—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers*	23	...	...
(ii) Non-gazetted officers	2	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	1,05	40	40
(ii) Non-gazetted officers	50	20	16
(*c*) Other officers employed on the Project—			
(i) Gazetted officers *	10	1	3
(ii) Non-gazetted officers	4	...	...
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary Investigation	51	...	...
(*b*) Public Works and Electrical officers employed on the Project	97	26	27
(*c*) Other officers employed on the Project	22	6	5
Deduct—(*i*) Percentages	...	*38*	*24*
(*ii*) Debit to head "45 Imperial Civil Works"	...	*1,25*	*1,02*
D.—Works Expenditure—			
(i) Buildings—			
(1) Government House	3,69	4,25	8,00
(2) Secretariat	9,89	5,23	7,00
(3) Other buildings	20,53	8,40	6,00
(ii) Communications	3,71	1,08	1,53
(iii) Miscellaneous Public Improvements	1,85	34	95
(iv) Electric Light and Power	...	...	...
(v) Irrigation	...	...	50
(vi) Sanitation including water-supply, drainage and sewage	...	50	2,50
(vii) Purchase of tools and plant	29,00	2,92	1,12
(viii) Stock and Suspense	12,93	4,72	2,00
(ix) Miscellaneous items	41,74	5,24	1,50
(x) Maintenance during construction	4,36	2,78	2,50
Deduct—Probable savings	...	*1,28*	...
E.—Acquisition of land	35,37	12	10
F.—Other Miscellaneous expenditure	6	...	...
Deduct.—Receipts on Capital Account treated as reduction of expenditure.	*2*	*72*	...
Total	1,88,80	40,00	40,00

* NOTE.—The town planners and other experts are included under this head.

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of Rupees.]

RECEIPTS.				EXPENDITURE.			
Major heads of Account.	Actuals, 1915-16.	Revised Estimate, 1916-17.	Budget Estimate, 1917-18.	Major heads of Account.	Actuals, 1915-16.	Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
I.—Land Revenue . . .	4,13	3,49	3,73	1. Refunds and Drawbacks . .	6	11	11
II.—Opium . . .	20	20	23	2. Assignments and Compensations	4	5	5
IV.—Stamps . . .	3,23	3,41	3,42	3. Land Revenue . . .	1,07	1,06	1,06
V.—Excise . . .	2,66	2,45	2,45	6. Stamps	6	7	6
				7. Excise	8	9	11
VII.—Customs . . .	1	1	1	10. Income Tax . . .	1	2	3
VIII.—Income Tax . . .	1,62	4,05	3,05				
X.—Registration . .	22	23	24	12. Registration	7	7	7
XII.—Interest . . .	35	34	31	18. General Administration* .	1,15	1,14	1,08
XVI-A.—Courts of Law . .	23	29	23	19-A. Courts of Law . . .	1,64	1,60	1,46
XVI-B.—Jails . . .	33	32	32	19-B. Jails . .	82	82	82
XVII.—Police . . .	6	6	6	20. Police	4,05	3,91	4,13
				22. Education	1,92	1,90	2,07
XIX.—Education . . .	16	16	15	23. Ecclesiastical . . .	18	14	18
				24-A. Medical	1,68	1,71	1,76
XXA.—Medical . . .	3	2	1	24-B. Sanitation	1,13	2,02	60
				25. Political	1	1	1
XXIB.—Scientific and Miscellaneous Departments.	1	1	1	26A. Agriculture . . .	11	12	12
				26B. Scientific and Miscellaneous Departments.	3	11	1
XXII.—Receipts in aid of Superannuation, etc.	4	4	4	27. Territorial and Political Pensions.	48	46	45
XXIII.—Stationery and Printing	5	3	4	29. Superannuation and Retired allowances.	1,96	2,01	1,75
				30. Stationery and Printing .	16	15	15
XXV.—Miscellaneous . .	40	3,27	1,87	32. Miscellaneous . . .	42	60	1,00
XXX.—Minor Irrigation Works and Navigation.	1	3	3	43. Minor Irrigation Works and Navigation.	1	1	1
XXXI.—Civil Works . .	2,55	2,59	2,62	45. Civil Works . . .	17,60	17,35	14,10
Total Receipts .	16,29	21,00	18,82	Total Expenditure .	34,74	35,53	31,19

* The differences between the figures shown here and those shown in the table on page 53 against Delhi represents the proportionate cost of the Delhi Audit Office relating to the Delhi Project which is included in Part I of the *Proformâ* account under '7—Miscellaneous items'.

Appendix II.

ESTIMATE OF REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA FOR THE YEAR 1917-1918.

No. 1.—ACCOUNT showing the ESTIMATED REVENUE (Imperial and Provincial) compared with the

HEADS OF REVENUE.	INDIA, GENERAL.			N.-W. FRONTIER PROVINCE.			MADRAS		
	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	
Principal Heads of Revenue:	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs	Rs.	
Land Revenue	20,73,000	21,81,000	21,76,000	21,29,255	21,01,000	22,03,000	5,90 96,591	5,92,58,000	1
Opium	27.079	28,000	30 000	39,227	49,000	47,000	4,02,759	4,87,000	2
Salt	1,47,09,662	2,50,79,000	1,20 00,000	...	...	...	1,15,78,575	1,29,30.000	3
Stamps	8,58,004	8,54,000	8 56,000	6,74,843	7,10,000	7,25,000	1,51,01,998	1,56,00,000	4
Excise	21,96,610	24,52.000	24,28.000	3,53,604	3,59,000	3,35.000	3,51,18,758	3,69,00,000	5
Provincial Rates	103	1,000	1,000	3,715	3,000	1,000	...	...	6
Customs	19,644	29 000	29,000	...	...	...	79,50,349	1,12,05,000	7
Income Tax	25.58,823	43,73,000	43,71,000	1,71,418	2,50,000	2,56,000	40,75.663	57,91,000	8
Forest	9,59,469	12,52,000	10,53,000	1,86,815	2,14,000	2,42,000	41,06.838	45,00,000	9
Registration	45,244	45,000	47,000	46,243	48 000	45,000	23.87,549	25,00,000	10
Tributes from Native States	19,92,599	19,95,000	20,09,000	...	...	...	44,96,520	44,97,000	11
Total	2,54,40,237	3,81,89,000	2,50,00,000	36,05,120	37,34,000	38,54,000	14,42,65,510	15,36,68,000	12
Interest	46,49,666	44,43,000	64,55,000	32,896	31,000	30,000	11,07,949	12,07,000	13
Posts and Telegraphs	5,65,25,273	6,19,84,000	6,49,35,000	...	...	...	...	...	14
Mint	43,838	32,63,000	43,000	...	...	...	...	...	15
Receipts by Civil Depts.:									
Law and Justice:									
Courts of Law	3,42,511	2,34,000	2,03,000	1,74,293	2,27,000	2,30,000	12,00,387	11,51,000	16
Jails	5,00.374	6,65,000	6,66,000	42,008	46,000	46 000	5,10,531	5,65,000	17
Police	50,294	54,000	50,000	32,279	30,000	23,000	5,06,454	5,12,000	18
Ports and Pilotage	...	...	...	...	...	...	69	2,000	19
Education	84,924	77,000	78,000	26,796	1,52,000	24,000	3,09,763	3,51,000	20
Medical	9,021	8,000	7,000	1,339	1,000	1,000	1,27,918	1,45,000	21
Sanitation	29,665	52,000	60 000	5.310	...	...	10,834	18,000	22
Agriculture	1,57,602	1,73,000	2,22,000	2,450	3,000	6,000	1,70,924	2,04,000	23
Scientific and Miscellaneous Depts.	1,18,510	1,25 000	1,17,000	135	...	...	11,13,461	15,89,000	24
Total	12,92,961	13,88,000	14,09,000	2,84,610	4,59,000	3,30,000	39,50,341	45,37,000	25
Miscellaneous:									
Receipts in aid of Superannuation, etc.	3,64,326	3,88,000	3,85,000	20,089	23,000	23,000	2,52,389	2,54,000	26
Stationery and Printing	4,40,760	3,94,000	3,00,000	17,730	23,000	23,000	1,43,356	1,38.000	27
Exchange	11,13,815	22,00,000	...	...	...	...	...	...	28
Miscellaneous	5,48,956	8,96,000	7,14,000	1,46,320	1,23,000	1,24,000	4,23,863	4,77,000	29
Total	24,67,857	38,78,000	13,99,000	1,84,139	1,69,000	1,70,000	8,19,608	8,69,000	30
Railways:									
State Railways (Gross Receipts)	57,24,44,857	62,18,56,000	62,73,49,000	...	...	...	...	...	31
Deduct—Working Expenses	*29,51,98,312*	*29,90,00,000*	*31,33,79,000*	...	...	...	...	...	32
,, Surplus profits paid to Companies, etc.	*90,57,411*	*1 13,82,000*	*1,17,00,000*	...	...	...	...	...	33
Net Receipts	26,81,89,134	31,14,74,000	30,22,70,000	...	...	...	...	...	34
Subsidized Companies (Government share of surplus Profits and Repayment of Advances of Interest)	2,98,385	4,42,000	4,61,000	...	...	...	...	...	35
Total	26,84,87,519	31,19,16,000	30,27,31,000	...	...	...	...	...	36
Irrigation:									
Major Works: Direct Receipts	...	...	...	8,11,044	9,68,000	13,11,000	2,94,368	3,10,000	37
Portion of Land Revenue due to Irrigation	...	...	...	73,778	74,000	74,000	1,06,97,361	1,02,81,000	38
Minor Works and Navigation	23,168	83,000	41,000	...	...	...	2,59,506	2,68,000	39
Total	23,168	83,000	41,000	8,84,822	10,42,000	13,85,000	1,12,51,235	1,08,59.000	40
Other Public Works:									
Civil Works	3,23,066	3,32,000	3,25,000	1,68,004	1,62,000	1,59,000	6,14,889	4,25,000	41
Military Receipts:									
Army: Effective	77,20,933	90,54,000	89,69,000	...	...	...	...	...	42
Non-effective	12,79,957	12,66,000	12,66,000	...	...	...	...	...	43
Marine	33,48,942	55,98,000	39,12 000	...	...	...	...	...	44
Military Works	11,78,015	11,50,000	12,00,000	...	...	...	...	...	45
Total	1,35,27,847	1,70,68,000	1,53,47,000	...	...	...	...	...	46
TOTAL REVENUE	37,27,81,432	44,25,44,000	41 76,85,000	51,59,591	55,97,000	59,28,000	16,20,09532	17,15,65,000	47

in each of the PROVINCES of *British India*, and in *England*, for 1917-1918
Results of 1915-1916 and 1916-1917.

		BOMBAY.			BENGAL.			CARRIED FORWARD.		
	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	6,02,92,000	5,21,45,711	5,11,07,000	5,21,58,000	2,98,96,600	3,04,69,000	3,06,09,000	14,53,41,067	14,51,16,000	14,74,38,000
2	4,87,000	7,78,109	10,04,000	10,04,000	2,45,65,780	4,19,96,000	4,55,15,000	2,58,12,954	4,35,64,000	4,70,83,000
3	1,40,80,000	1,39,91,462	1,78,00,000	1,78,25,000	1,23,67,112	1,33,13,000	1,30,86,000	5,26,46,811	6,91,22,000	5,69,91,000
4	1,60,50,000	85,28,187	97,50,000	96,50,000	2,24,37,340	2,45,00,000	2,53,00,000	4,76,00,372	5,14,14,000	5,25,81,000
5	3,78,00,000	2,27,91,530	2,54,00,000	2,56,00,000	1,51,40,074	1,45,00,000	1,46,00,000	7,56,00,375	7,96,11,000	8,07,63,000
6	...	...	...	..	2,33,853	1,45,000	1,18,000	2,37,671	1,49,000	1,20,000
7	1,16,68,000	4,03,61,113	5,10,98,000	5,18,60,000	2,74,02,371	5,05,94,000	5,88,66,000	7,57,33,477	11,29,26,000	12,24,23,000
8	70,01,000	73,48,676	1,33,90,000	2,01,97,000	72,26,611	1,60,00,000	2,87,00,000	2,13,81,191	3,98,04,000	6,05,25,000
9	42,00,000	47,01,263	52,00,000	52,30,000	11,45,610	12,40,000	13,00,000	1,10,99,995	1,23,06,000	1,20,25,000
10	26,00,000	7,95,528	8,40,000	8,50,000	20,36,068	21,40,000	22,00,000	52,60,632	55,73,000	57,42,000
11	44,97,000	12,88,860	12,14,000	13,89,000	67,701	68,000	68,000	78,45,680	77,74,000	79,63,000
12	15,86,75,000	15,27,30,239	17,68,03,000	18,57,63,000	14,25,19,120	19,49,65,000	22,03,62,000	46,85,60,226	56,73,59,000	59,36,54,000
13	12,03,000	24,23,969	23,41,000	23,06,000	16,30,052	17,70,000	17,27,000	98,44,532	97,92,000	1,17,21,000
14	...	...	...	...	...	...	...	5,65,25,273	6,19,84,000	6,49,35,000
15	...	14,84,464	61,06,000	20,44,000	...	...	...	15,28,302	93,69,000	20,87,000
16	11,48,000	8,66,659	8,35,000	8,70,000	8,43,999	8,84,000	8,82,000	34,27,849	33,31,000	33,39,000
17	5,05,000	3,11,796	2,85,000	2,75,000	9,09,148	10,51,000	11,02,000	22,73,857	26,12,000	26,54,000
18	5,12,000	3,02,072	3,57,000	3,37,000	1,90,866	1,75,000	1,71,000	10,81,965	11,28,000	10,93,000
19	...	1,31,976	1,57,000	1,57,000	13,49,562	12,05,000	11,81,000	14,81,607	13,64,000	13,38,000
20	4,26,000	7,94,273	6,00,000	6,28,000	8,86,574	9,32,000	9,28,000	21,02,390	21,12,000	20,84,000
21	1,54,000	3,29,612	4,02,000	3,84,000	3,59,574	3,74,000	3,62,000	8,27,464	9,30,000	9,08,000
22	10,000	12,927	18,000	16,000	660	93,000	12,000	59,396	1,81,000	93,000
23	2,20,000	1,52,129	1,80,000	1,90,000	1,01,156	1,05,000	1,05,000	5,84,261	6,65,000	7,43,000
24	17,61,000	36,465	44,000	1,27,000	6,04,849	7,50,000	7,81,000	18,73,420	25,08,000	27,86,000
25	47,96,000	29,37,909	28,78,000	29,84,000	52,46,388	55,69,000	55,24,000	1,37,12,209	1,48,31,000	1,50,43,000
26	2,54,000	5,91,470	5,72,000	5,71,000	2,25,465	2,40,000	2,37,000	14,53,739	14,86,000	14,70,000
27	1,42,000	1,34,622	1,29,000	1,29,000	1,33,409	1,43,000	1,38,000	8,69,877	8,27,000	7,32,000
28	...	...	...	...	...	...	...	11,13,815	22,00,000	...
29	3,82,000	2,63,515	4,12,000	2,67,000	7,23,386	7,71,000	6,93,000	21,06,040	26,79,000	21,80,000
30	7,78,000	9,89,607	11,13,000	9,67,000	10,82,260	11,63,000	10,68,000	55,43,471	71,92,000	43,82,000
31		...	...		...	...		57,24,44,857	62,18,56,000	62,73,49,000
32		...	...		...	...		*29,51,98,312*	*29,90,00,000*	*31,33,79,000*
33		...	...		...	...		*90,57,411*	*1,13,82,000*	*1,17,00,000*
34		...	...		...	...		26,81,89,184	31,14,74,000	30,22,70,000
35		...	...		...	...		2,98,385	4,42,000	4,61,000
36		...	...		...	...	...	26,84,87,519	31,19,16,000	30,27,31,000
37	3,01,000	16,11,897	15,50,000	16,65,000	2,78,079	2,90,000	2,68,000	29,95,388	31,18,000	35,45,000
38	1,06,97,000	28,39,102	26,55,000	27,04,000	...	...	...	1,36,10,241	1,30,10,000	1,34,75,000
39	2,54,000	3,36,511	3,40,000	3,75,000	6,80,544	8,26,000	8,10,000	12,99,729	15,17,000	14,80,000
40	1,12,52,000	47,87,510	45,45,000	47,44,000	9,58,623	11,16,000	10,78,000	1,79,05,358	1,76,45,000	1,85,00,000
41	3,82,000	4,37,299	4,62,000	3,47,000	6,94,213	8,91,000	7,06,000	22,37,471	22,72,000	19,19,000
42	...	...	...	...	...	...		77,20,933	90,51,000	89,69,000
43	...	...	...	...	...	...		12,79,957	12,66,000	12,66,000
44	...	...	...	...	...	...		33,48,942	55,98,000	39,12,000
45	...	...	...	...	...	...		11,78,015	11,50,000	12,00,000
46	...	...	...	...	...	...	...	1,35,27,847	1,70,68,000	1,53,47,000
47	17,70,86,000	16,57,90,997	19,42,48,000	19,91,55,000	15,21,30,656	20,54,74,000	23,04,65,000	85,78,72,208	1,01,94,28,000	1,03,03,19,000

No. 1—Account showing the Estimated Revenue (Imperial and Provincial) compared with the

HEADS OF REVENUE.	Brought forward.			United Provinces of Agra and Oudh.			Punjab.		
	1915-1916.	1916-1917.	1917 1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	s.	Rs.	
Principal Heads of Revenue:									
Land Revenue	14,53,41,067	14,51,16,000	14,74,38,000	6,73,87,924	6,43,51,000	6,53,54,000	2,79,77,592	2,94,22,000	1
Opium	2,58,12,954	4,35,64,000	4,70,83,000	5,70,700	7,45,000	7,49,000	6,15,630	7,43,000	2
Salt	5,26,46,811	6,91,22,000	5,69,91,000	...	...	...	...	...	3
Stamps	4,76,00,372	5,14,14,000	5,25,81,000	1,25,11,383	1,29,40,000	1,34,00,000	58,11,218	60,00,000	4
Excise	7,56,00,376	7,96,11,000	8,07,63,000	1,22,11,130	1,34,20,000	1,36,10,000	70,59,656	75,00,000	5
Provincial Rates	2,37,671	1,49,000	1,20,000	1,63,716	1,60,000	1,66,000	31,356	37,000	6
Customs	7,57,33,477	11,29,26,000	12,24,23,000	1,82,296	2,10,000	2,10,000	8,563	15,000	7
Income Tax	2,13,80,191	3,98,04,000	6,05,25,000	28,02,911	40,78,000	46,82,000	18,55,709	23,93,000	8
Forest	1,10,99,995	1,23,06,000	1,20,25,000	37,38,831	44,40,000	43,85,000	17,27,283	15,58,000	9
Registration	52,60,632	55,73,000	57,42,000	7,33,642	7,30,000	7,40,000	3,50,564	3,68,000	10
Tributes from Native States	78,45,680	77,74,000	79,63,000	3,21,000	3,21,000	3,21,000	1,44,754	1,44,000	11
Total	46,85,60,226	56,73,59,000	59,36,54,000	10,06,23,533	10,13,95,000	10,36,17,000	4,55,87,125	4,81,80,000	12
Interest	98,44,532	97,92,000	1,17,21,000	23,94,286	17,36,000	14,58,000	4,72,419	4,90,000	13
Posts and Telegraphs	5,65,25,273	6,19,84,000	6,49,35,000	...	...	...	...	...	14
Mint	15,28,302	53,69,000	20,87,000	...	...	...	...	...	15
Receipts by Civil Depts:									
Law and Justice:									
Courts of Law	34,27,849	33,31,000	33,39,000	8,53,721	8,64,000	8,73,000	5,67,763	6,90,000	16
Jails	22,73,857	26,12,000	26,54,000	3,52,143	3,68,000	3,62,000	4,44,191	4,89,000	17
Police	10,81,965	11,28,000	10,93,000	1,01,839	95,000	90,000	1,98,940	2,58,000	18
Ports and Pilotage	14,81,607	13,64,000	13,38,000	...	...	...	...	...	19
Education	21,02,390	21,12,000	20,84,000	6,47,761	6,45,000	7,15,000	4,91,073	5,11,000	20
Medical	8,27,464	9,30,000	9,98,000	1,29,942	96,000	1,00,000	39,960	41,000	21
Sanitation	59,396	1,81,000	98,000	80,666	42,000	30,000	37,853	97,000	22
Agriculture	5,84,261	6,65,000	7,43,000	1,95,283	2,43,000	3,13,000	2,27,457	2,09,000	23
Scientific and Miscellaneous Depts.	18,73,429	25,08,000	27,86,000	22,119	23,000	23,000	27,245	32,000	24
Total	1,37,12,209	1,48,31,000	1,50,43,000	23,86,704	23,76,000	25,06,000	20,34,482	23,27,000	25
Miscellaneous:									
Receipts in aid of Superannuation, etc.	14,53,739	14,86,000	14,70,000	3,09,315	3,10,000	3,10,000	2,21,197	2,02,000	26
Stationery and Printing	8,69,877	8,27,000	7,32,000	1,93,356	2,16,000	2,33,000	1,34,480	1,98,000	27
Exchange	11,13,815	22,00,000	...	...	...	...	...	...	28
Miscellaneous	21,00,640	26,79,000	21,80,000	4,95,354	5,06,000	4,76,000	7,50,072	11,06,000	29
Total	55,43,471	71,92,000	43,82,000	9,98,025	10,32,000	10,19,000	11,05,749	15,06,000	30
Railways:									
State Railways (Gross Receipts)	57,24,44,857	62,18,56,000	62,73,49,000	...	...	...	...	...	31
Deduct: Working Expenses	*29,51,98,312*	*29,90,00,000*	*31,33,79,000*	...	...	...	...	...	32
„ Surplus profits paid to Companies, etc.	*90,57,411*	*1,13,82,000*	*1,17,00,000*	...	...	...	...	...	33
Net Receipts	26,81,89,134	31,14,74,000	30,22,70,000	...	...	...	...	...	34
Subsidized Companies (Government share of surplus profits and Repayment of Advances of Interest)	2,98,385	4,42,000	4,61,000	...	...	...	...	...	35
Total	26,84,87,519	31,19,16,000	30,27,31,000	...	...	...	...	...	36
Irrigation:									
Major Works: Direct Receipts	29,95,388	31,18,000	35,45,000	1,00,60,904	1,01,94,000	95,11,000	2,38,05,079	2,65,56,000	37
Portion of Land Revenue due to Irrigation	1,36,10,241	1,30,10,000	1,34,75,000	19,52,288	19,52,000	19,52,000	1,07,92,333	1,09,35,000	38
Minor Works and Navigation	12,99,729	15,17,000	14,80,000	2,15,546	3,09,000	2,78,000	9,56,755	10,25,000	39
Total	1,79,05,358	1,76,45,000	1,85,00,000	1,22,28,738	1,24,55,000	1,17,41,000	3,55,54,167	3,85,16,000	40
Other Public Works.									
Civil Works	22,37,471	22,72,000	19,19,000	5,23,722	5,57,000	4,96,000	4,43,076	4,72,000	41
Military Receipts:									
Army: Effective	77,20,933	90,54,000	89,69,000	...	...	...	...	...	42
Non-effective	12,79,957	12,66,000	12,66,000	...	...	...	...	...	43
Marine	33,48,942	55,98,000	39,12,000	...	...	...	...	...	44
Military Works	11,78,015	11,50,000	12,00,000	...	...	...	...	...	45
Total	1,35,27,847	1,70,68,000	1,53,47,000	...	...	...	...	...	46
TOTAL REVENUE	95,78,72,208	1,01,94,28,000	1,03,03,19,000	11,91,55,008	11,95,51,000	12,08,37,000	8,51,97,018	9,14,91,000	47

in each of the Provinces of *British India*, and in *England*, for 1917-1918
Results of 1915-1916 AND 1916-1917—*continued*.

		BURMA.			BIHAR AND ORISSA.			CARRIED FORWARD.		
	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	2,20 62,000	4,64,18,052	4,71,69,000	4,76,60 000	1,57,82,993	1,63,72,000	1,64.98,000	30,29,07,628	30,24,30,000	30,50,12,000
2	7,96,000	3,65,554	5,35,000	5,00,000	3,32,338	4,50,000	4,50,000	2.76,57,176	4,60,37,000	4,95,78,000
3	...	20,64,895	26,65 000	26 00.000	1,256	1,00	1,00	5,47,12 962	7,17,88,000	5,55,92,000
4	61 00,000	55,15,055	36,00,000	36,50,000	66 97,240	73,50,000	75,50,000	7,61,35,268	8,13,04,000	8,32,81,000
5	77,35,000	81,11,370	89,03,000	91,00,000	1,09,71,527	1,11,00 000	1,13,00.000	11,39 54,0.9	12,05,34,000	12,25,08,000
6	30,000	...	...	...	1,83,487	1,00,000	86 000	6,16,230	4,46,000	4,02,000
7	12,000	1,19,46,666	1,59.34,000	1,78,53,000	994	1,000	1,000	8,78,71,796	12,90,86,000	14,01,99,000
8	26,80,000	24,75,430	38,65,000	46,25 000	14.28 417	19,00,000	22,35,000	2,99 43,658	5,20,43,000	7,47,42,000
9	15,74,000	96,99,217	1,13,00,000	1,10,30,000	5,17,727	5,70,000	5,60.000	2,67 83,053	3,01,74,000	2,95,74,000
10	3,58,000	2,49,835	2,42,000	2,50.000	6,96,048	6,60,000	6,70,000	72.95,821	75,73,000	77,60,000
11	1,44,000	4,57,706	4,47,000	4,52,000	85,499	86,000	86,000	88,54,639	87,72,000	89,66,000
12	4,74,91.000	8,53,03,880	9,46,63,000	9,77,20,000	3.66,97.526	3,85,90.000	3,94,32,000	73,67.72,290	85,01,87,000	88,19,14,000
13	4.94,000	1,71,053	1,76,000	1,79,000	1,87,885	1,91,000	2,11,000	1,30,70,175	1,23,85,000	1,40,63,000
14	...	...	...	...	...	...	...	5,65,25,273	6,19,84,000	6,49,35,000
15	...	...	...	...	...	...	...	15,23,302	93,69,000	20,87,000
16	7,00,000	6,33,412	6,36,000	6,57,000	3.50,679	3,03,000	3,13,000	58.33.424	58,24,000	58,82,000
17	4,38,000	4,36,989	4,36,000	4,10,000	6,82,564	7.25 000	7,42,000	41.90.044	46,30,000	46,66,000
18	2,18,000	5,79,894	5,50.000	4,50,000	36,063	42,000	58,000	19.9 .706	20,73,000	19,09,000
19	...	3,99,267	4,31,000	4,24,000	...	...	...	18.80 874	17,95,000	17,62,000
20	5,24,000	3,65,991	3,66,000	3 94,000	3,70.180	3,70,000	3,80 000	39,78 145	40,04,000	40,97,000
21	40,000	1,01,547	1,03,000	1,04 000	28,87.	38 000	34,000	11,27,735	12,08,000	11,86,000
22	81 000	20,411	27,000	20,000	,967	12,0)	16 000	2,01,2: 3	3,59,090	2,45,000
23	2,41,000	16,026	20,000	15,000	25,674	30,000	35,000	10,51,631	11,67,000	13,47,000
24	30,000	3,993	5,000	5,000	2,874	2,000	2,000	19,29,651	25,70,000	28,46,000
25	22,72,000	25,57,5 0	25,74,000	24,79,000	15,00,628	15.22,000	15,80,000	2,21,91,553	2,36,30,000	2,38,80,000
26	2,05,000	1,20,948	1,17,000	1,15,000	1,18,136	1,15,000	1.20 000	22 23,335	22,30,000	22,20,000
27	2,14,000	48,943	51,000	51,000	21,904	25,000	25,000	12.6 ,560	13,17,000	12,55,000
28	...	...	...	...	...	...	...	11,13,815	22,00,000	...
29	7,13,000	2,27,513	1,40,000	1,27,000	3,25,380	2,33,000	2,46,000	39,04.59	46,64,000	37,42,000
30	11,32,000	3,97,404	3,08,000	2,93,000	4,65,420	3,73,000	3 91,000	85,10,069	1,04,11,000	72,17,000
31	...	...	...	...	...	...	...	57,24,44,857	62,18,56,000	62,73,49,000
32	...	...	...	...	...	...	...	*29,51,98,312*	*29,90,00,000*	*31,33,79,000*
33	...	...	...	...	...	...	...	*90,57,411*	*1,13,82,000*	*1,17,00,000*
34	...	...	...	...	...	...	...	26,81,89,134	31,14,74,000	30,22,70,000
35	...	...	...	...	...	...	...	2,98,385	4,42,000	4,61,000
36	...	...	...	...	...	...	...	26,84,87,519	31,19,16,000	30,27,31,000
37	2,71,03,000	13,90,045	12,95,000	17,18,000	27,20,454	25,00,000	25,00,000	4,09,71,870	4,36,63,000	4,43,77,000
38	1,22,00,000	2,45,775	2,31,000	2,40,000	...	...	...	2,66,00,637	2,61,28,000	2,78,67,000
39	10,38,000	14,23,781	15,01,000	15,00,000	67,098	70,000	70,000	39,62,909	44,22,000	43,66,000
40	4,03,41,000	30,59,601	30,27,000	34,58,000	27,87,552	25,70,000	25,70,000	7,15,35,416	7,42,13,000	7,66,10,000
41	4,70,000	3,70,500	3,79,000	3,59,000	4.27,503	4,83.000	5,00,000	40,02,272	41,63,000	37,44,000
42	...	...	...	...	...	...	...	77.20,933	90,54,000	89,69,000
43	...	...	...	...	...	...	...	12,79 957	12,66,000	12,66,000
44	...	...	...	...	...	...	...	33.48,942	55,98,000	39,12,000
45	...	...	...	...	...	...	...	11,78,015	11,50,000	12,00,000
46	...	...	...	...	...	...	...	1 35,27,847	1,70,68,000	1,53,47,000
47	9,22,00,000	9,18,59,968	10,11,27,000	10,44,88,000	4,20,66,514	4,37,29,000	4,46,84,000	1,19,61,50,716	1,37,53,26,000	1,39,25,28,000

No 1.—ACCOUNT showing the ESTIMATED REVENUE (Imperial and Provincial) compared with the

HEADS OF REVENUE.	BROUGHT FORWARD.			CENTRAL PROVINCES AND BERAR.			ASSAM.			
	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue:										
Land Revenue	30,29,07,628	30,24,30,000	30,59,12,000	1,97,43,330	2,00,65,000	2,00,84,000	78,16,453	78,57,000	81,76,000	1
Opium	2,76,97,176	4,60,37,000	4,95,78,000	4,70,013	5,80,000	5,72,000	5,35,523	6,80,000	6,90,000	2
Salt	5,47,12,962	7,17,88,000	5,95,92,000	...	...	...	840	1,000	1,000	3
Stamps	7,61,35,268	8,13,04,000	8,32,81,000	39,41,865	43,00,000	45,50,000	14,24,354	14,10,000	14,50,000	4
Excise	11,39,54,059	12,05,34,000	12,25,08,000	1,00,65,862	1,11,50,000	1,18,16,000	54,63,211	55,54,000	56,00,000	5
Provincial Rates	6,16,230	4,46,000	4,02,000	...	...	...	11,446	12,000	13,000	6
Customs	8,78,71,796	12,90,86,000	14,04,99,000	2,36,497	3,00,000	3,23,000	...	...	1,00,000	7
Income Tax	2,99,13,658	5,20,43,000	7,47,42,000	9,47,825	13,30,000	15,48,000	4,60,160	6,48,000	6,50,000	8
Forest	2,67,83,053	3,01,74,000	2,95,74,000	32,78,262	33,40,000	33,60,000	10,55,052	12,10,000	10,66,000	9
Registration	72,95,821	75,73,000	77,60,000	3,74,251	4,50,000	4,44,000	1,13,115	1,05,000	1,10,000	10
Tributes from Native States	88,54,639	87,72,000	89,66,000	2,32,187	2,39,000	2,39,000	50,100	50,000	50,000	11
Total	73,67,72,290	85,04,87,000	88,19,14,000	3,92,93,032	4,17,54,000	4,29,36,000	1,69,30,254	1,75,27,000	1,79,06,000	12
Interest	1,30,70,175	1,23,85,000	1,40,63,000	2,70,937	2,85,000	2,05,000	43,885	61,000	2,00,000	13
Posts and Telegraphs	5,65,25,273	6,19,84,000	6,49,35,000	...	...	...	...	...	...	14
Mint	15,28,302	93,69,000	20,87,000	...	...		...	...	...	15
Receipts by Civil Departments:										
Law and Justice:										
Courts of Law	58,33,424	58,24,000	58,82,000	2,43,774	2,70,000	2,70,000	1,25,971	1,40,000	1,40,000	16
Jails	41,90,014	46,30,000	46,06,000	2,17,291	2,70,000	2,70,000	81,047	92,000	98,000	17
Police	19,9[illegible],706	20,73,000	19,09,000	26,452	46,000	46,000	1,22,825	1,89,000	89,000	18
Ports and Pilotage	18,80,874	17,95,000	17,62,000	...	...	...	38	...	...	19
Education	39,78,145	40,04,000	40,97,000	2,60,617	2,76,000	2,75,000	1,86,780	2,09,000	2,08,000	20
Medical	11,27,785	12,08,000	11,86,000	14,234	9,000	9,000	8,272	11,000	13,000	21
Sanitation	2,01,293	3,59,000	2,45,000	20,579	33,000	30,000	18,983	27,000	27,000	22
Agriculture	10,51,631	11,67,000	13,47,000	1,10,759	1,26,000	1,27,000	14,582	20,000	66,000	23
Scientific and Miscellaneous Departments	19,29,651	25,70,000	28,46,000	26,608	28,000	28,000	11,409	20,000	2,000	24
Total	2,21,91,553	2,36,30,000	2,38,80,000	9,20,314	10,58,000	10,55,000	5,69,907	7,08,000	6,43,000	25
Miscellaneous:										
Receipts in aid of Superannuation, etc.	22,23,325	22,30,000	22,20,000	2,93,616	2,88,000	2,88,000	38,403	40,000	40,000	26
Stationery and Printing	12,68,560	13,17,000	12,55,000	62,554	60,000	43,000	5,886	5,000	6,000	27
Exchange	11,13,815	22,00,000	...	...	...	...	...	...	..	28
Miscellaneous	39,04,359	46,64,000	37,42,000	2,36,535	2,26,000	1,92,000	48,668	73,000	48,000	29
Total	85,10,069	1,04,11,000	72,17,000	5,92,705	5,74,000	5,23,000	92,957	1,18,000	94,000	30
Railways:										
State Railways (Gross Receipts)	57,24,44,857	62,18,56,000	62,73,49,000	...	...	...	1,53,781	1,44,000	1,51,000	31
Deduct:—										
Working Expenses	*29,51,98,312*	*29,90,00,000*	*31,33,79,000*	...	...	...	*1,01,834*	*1,00,000*	*1,21,000*	32
Surplus profits paid to Companies, etc.	*90,57,411*	*1,13,82,000*	*1,17,00,000*	...	...	...	...	...	...	33
Net Receipts	26,81,89,134	31,14,74,000	30,22,70,000	...	...	...	51,947	44,000	30,000	34
Subsidized Companies (Government share of surplus profits and Re-payment of Advances of interest)	2,98,385	4,42,000	4,61,000	...	...	...	...	...	...	35
Total	26,84,87,519	31,19,16,000	30,27,31,000	...	...	...	51,947	44,000	30,000	36
Irrigation:										
Major Works: Direct Receipts	4,09,71,870	4,36,63,000	4,43,77,000	97,982	1,45,000	2,06,000	...	...	...	37
Portion of Land Revenue due to Irrigation	2,66,00,637	2,61,28,000	2,78,67,000	5,168	6,000	6,000	...	...	...	38
Minor Works and Navigation	39,62,909	44,22,000	43,66,000	47,616	57,000	57,000	...	72,000	...	39
Total	7,15,35,416	7,42,13,000	7,66,10,000	1,50,766	2,08,000	2,69,000	...	72,000	...	40
Other Public Works:										
Civil Works	40,02,272	41,63,000	37,44,000	3,87,187	3,54,000	3,54,000	1,71,057	1,84,000	1,80,000	41
Military Receipts:										
Army Effective	77,20,933	90,54,000	89,69,000	...	...	...	...	...	...	42
Non-effective	12,79,957	12,66,000	12,66,000	...	...	...	...	...	...	43
Marine	33,48,942	55,98,000	39,12,000	...	...	...	...	...	...	44
Military Works	11,78,015	11,50,000	12,00,000	...	...	...	...	...	...	45
Total	1,35,27,847	1,70,68,000	1,53,47,000	...	...	...	...	...	..	46
TOTAL REVENUE	1,19,61,50,716	1,37,53,26,000	1,39,25,28,000	4,16,15,001	4,42,33,000	4,53,42,000	1,78,60,007	1,87,14,000	1,90,53,000	47

in each of the PROVINCES of *British India*, and in *England*, for 1917-1918
Results of 1915-1916 and 1916-1917—*continued*.

	TOTAL INDIA.						ENGLAND.			GRAND TOTAL.		
	Rupees.			Rupees converted into £ at R15=£1.								
	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918
	Rs.	Rs.	Rs.	£	£	£	£	£	£	£	£	
1	33,04,67,411	33,03,52,000	33,32,72,000	22,031,161	22,023,500	22,218,200	...	...	...	22,031,161	22,023,500	22,218,200
2	2,87,02,712	4,72,97,000	5,08,40,000	1,913,514	3,153,100	3,389,300	...	...	...	1,913,514	3,153,100	3,389,300
3	5,47,13,802	7,17,89,000	5,95,93,000	3,647,587	4,785,900	3,972,900	...	...	...	3,647,587	4,785,900	3,972,900
4	8,15,04,487	8,70,14,000	8,92,81,000	5,433,632	5,800,900	5,952,100	...	...	...	5,433,632	5,800,900	5,952,100
5	12,94,83,132	13,72,38,000	13,99,24,000	8,632,209	9,149,200	9,328,200	...	...	...	8,632,209	9,149,200	9,328,200
6	6,27,676	4,58,000	4,15,000	41,845	30,500	27,600	...	...	...	41,845	30,500	27,600
7	8,81,08,293	12,93,86,000	14,09,22,000	5,873,886	8,625,800	9,394,800	...	...	...	5,873,886	8,625,800	9,394,800
8	3,13,51,643	5,40,21,000	7,69,40,000	2,090,109	3,601,400	5,129,300	...	...	...	2,090,109	3,601,400	5,129,300
9	3,11,16,367	3,47,24,000	3,40,00,000	2,074,425	2,314,900	2,266,700	...	...	...	2,074,425	2,314,900	2,266,700
10	77,83,187	81,28,000	83,14,000	518,879	541,900	554,300	...	...	...	518,879	541,900	554,300
11	91,36,926	90,61,000	92,55,000	609,128	604,100	617,000	...	...	...	609,128	604,100	617,000
12	79,29,95,636	90,94,68,000	94,27,56,000	52,866,375	60,631,200	62,850,400		...	...	52,866,375	60,631,200	62,850,400
13	1,33,84,997	1,27,31,000	1,44,68,000	892,333	848,700	964,500	204,084	261,400	1,131,200	1,096,417	1,110,100	2,095,700
14	5,65,25,273	6,19,84,000	6,49,35,000	3,768,352	4,132,300	4,329,000	19,126	44,400	16,700	3,787,478	4,176,700	4,345,700
15	15,28,302	93,69,000	20,87,000	101,887	624,600	139,100	31	...	...	101,918	624,600	139,100
16	62,03,169	62,34,000	62,92,000	413,545	415,600	419,500	...	...	...	413,545	415,600	419,500
17	44,88,382	49,92,000	49,74,000	299,225	332,800	331,600	...	...	...	299,225	332,800	331,600
18	21,47,983	23,08,000	20,44,000	143,199	153,800	136,300	...	...	...	143,199	153,800	136,300
19	18,80,912	17,95,000	17,62,000	125,394	119,700	117,500	...	...	...	125,394	119,700	117,500
20	44,25,542	44,89,000	45,80,000	295,036	299,300	305,300	...	...	...	295,036	299,300	305,300
21	11,50,291	12,28,000	12,08,000	76,686	81,800	80,500	562	400	400	77,248	82,200	80,900
22	2,40,855	4,19,000	3,02,000	16,057	27,900	20,100	...	...	...	16,057	27,900	20,100
23	11,76,972	13,13,000	15,40,000	78,465	87,600	102,700	...	...	...	78,465	87,600	102,700
24	19,67,668	26,18,000	28,76,000	131,178	174,600	191,700	557	800	700	131,735	175,500	192,400
25	2,36,81,774	2,53,96,000	2,55,78,000	1,578,785	1,693,100	1,705,200	1,119	1,300	1,100	1,579,904	1,694,400	1,706,300
26	25,55,354	25,58,000	25,48,000	170,357	170,500	169,900	43,570	48,100	46,200	213,927	218,600	216,100
27	13,37,000	13,82,000	13,04,000	89,134	92,100	86,900	...	...	...	89,134	92,100	86,900
28	11,13,815	22,00,000	...	74,254	146,700	...	...	...	...	74,254	146,700	...
29	41,89,562	49,63,000	39,82,000	279,304	330,900	265,500	22,869	18,200	174,500	302,173	349,100	440,000
30	91,95,731	1,11,03,000	78,34,000	613,049	740,200	522,300	66,439	66,300	220,700	679,488	806,500	743,000
31	57,25,98,638	62,20,00,000	62,75,00,000	38,173,243	41,466,700	41,833,300	2,950	114,800	5,900	38,176,193	41,581,500	41,839,200
32	*29,53,00,146*	*29,91,00,000*	*31,35,00,000*	*19,686,677*	*19,940,000*	*20,900,000*	...	...	...	*19,686,677*	*19,940,000*	*20,900,000*
33	*90,57,411*	*1,13,82,000*	*1,17,00,000*	*603,827*	*758,800*	*780,000*	...	...	...	*603,827*	*758,800*	*780,000*
34	26,82,41,081	31,15,18,000	30,23,00,000	17,882,739	20,767,900	20,153,300	2,950	114,800	5,900	17,885,689	20,882,700	20,159,200
35	2,98,385	4,42,000	4,61,000	19,892	29,400	30,800	71,522	69,500	63,000	91,414	98,900	93,800
36	26,85,39,466	31,19,60,000	30,27,61,000	17,902,631	20,797,300	20,184,100	74,472	184,300	68,900	17,977,103	20,981,600	20,253,000
37	4,10,69,852	4,38,08,000	4,45,83,000	2,737,991	2,920,500	2,972,200	...	...	...	2,737,991	2,920,500	2,972,200
38	2,66,05,805	2,61,34,000	2,78,73,000	1,773,720	1,742,300	1,858,200	...	...	...	1,773,720	1,742,300	1,858,200
39	40,10,525	45,51,000	44,23,000	267,368	303,400	294,900	...	...	...	267,368	303,400	294,900
40	7,16,86,182	7,44,93,000	7,68,79,000	4,779,079	4,966,200	5,125,300	...	...	...	4,779,079	4,966,200	5,125,300
41	45,60,516	47,01,000	42,78,000	304,035	313,400	285,200	...	...	...	304,035	313,400	285,200
42	77,20,933	90,54,000	89,69,000	514,729	603,600	597,900	301,705	293,900	266,000	816,434	897,500	863,900
43	12,79,957	12,66,000	12,66,000	85,330	84,400	84,400	38,179	38,000	38,000	123,509	122,400	122,400
44	33,48,942	55,98,000	39,12,000	223,263	373,200	260,800	...	...	...	223,263	373,200	260,800
45	11,78,015	11,50,000	12,00,000	78,534	76,700	80,000	...	...	...	78,534	76,700	80,000
46	1,35,27,847	1,70,68,000	1,53,47,000	901,856	1,137,900	1,023,100	339,884	331,900	304,000	1,241,740	1,469,800	1,327,100
47	1,25,56,25,724	1,43,82,73,000	1,45,69,23,000	83,708,382	95,884,900	97,128,200	705,155	889,600	1,742,600	84,413,537	96,774,500	98,870,800

No. 2.—ACCOUNT showing the ESTIMATED EXPENDITURE (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	INDIA, GENERAL.			N.-W. FRONTIER PROVINCE.			MADRAS.		
	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues:									
Refunds and Drawbacks	1,15,585	68,000	94,000	22,423	28,000	27,000	6,48,165	8,65,000	1
Assignments and Compensations	35,45,076	34,45,000	34,68,000	17,769	18,000	18,000	13,41,884	13,15,000	2
Charges in respect of Collection, *viz.*:									
Land Revenue	7,49,776	7,48,000	7,51,000	6,32,824	6,65,000	7,06,000	1,23,55,014	1,23,49,000	3
Opium (including cost of Production)	7,894	7,000	8,000	...	...		...	...	4
Salt (including cost of Production)	14,57,754	14,43,000	14,83,000	...	...	...	15,79,370	18,23,000	5
Stamps	−12,68,809	−13,10,000	−13,51,000	22,405	27,000	29,000	4,13,897	4,42,000	6
Excise	1,16,929	1,20,000	1,15,000	15,388	15,000	17,000	18,52,487	18,34,000	7
Customs	...	...	...	...	...	...	4,19,599	4,32,000	8
Income Tax	2,710	4,000	5,000	955	1,000	1,000	60,561	66,000	9
Forest	10,97,295	10,95,000	12,96,000	1,04,795	1,14,000	1,41,000	29,27,318	27,70,000	10
Registration	15,938	15,000	16,000	12,374	13,000	13,000	12,56,016	13,16,000	11
Total	58,40,148	56,35,000	58,85,000	8,28,933	8,81,000	9,52,000	2,28,54,311	2,32,12,000	12
Interest:									
Interest on Debt	5,34,41,812	5,29,34,000	6,30,78,000	...	...		3,31,295	3,28,000	13
Deduct—Amounts chargeable to Railways (*a*)	*6,42,62,141*	*6,50,07,000*	*6,62,00,000*	...	...		...	...	14
Deduct—Amounts chargeable to Irrigation	*1,98,60,762*	*2,04,59,000*	*2,09,64,000*	...	...		...	...	15
Remainder chargeable on Ordinary Debt	−3,06,81,091	−3,25,32,000	−2,40,86,000	...	...		3,31,295	3,28,000	16
Interest on other Obligations	80,83,267	86,30,000	1,10 97 000	197	...		1,90,874	2,25,000	17
Total	−2,25,97,824	−2,39,02,000	−1.29 89,000	197	...		5,22,169	5,53,000	18
Posts and Telegraphs	4,51,07,117	4,76,05,000	4,86,10,000	...	...		...	...	19
Mint	7,45,799	12,66,000	6,75,000	...	...		...	...	20
Salaries and Expenses of Civil Departments:									
General Administration	68,15,930	69,83,000	69,86,000	3,69,421	3,72,000	3,93,000	20,58,422	20,88,000	21
Law and Justice:									
Courts of Law	5,58,065	5,30,000	5,22,000	6,41,577	6,73,000	7,02,000	84,47,568	85,65,000	22
Jails	19,45,923	21,92,000	22,84,000	2,52,648	3,02,000	3,03,000	15,27,715	15,98,000	23
Police	22,29,697	22,37,000	24,65,000	19,32,256	22,11,000	24,99,000	1,10,09,898	1,14,69,000	24
Ports and Pilotage	...	...	...	...	...	...	47,020	42,000	25
Education	9,86,529	10,51,000	14,12,000	5,27,345	5,33,000	6,31,000	76,96,650	83,45,000	26
Ecclesiastical	2,15,038	2,09,000	2,21,000	52,088	52,000	57,000	3,50,120	3,37,000	27
Medical	9,38,838	9,72,000	10,48,000	1,31,622	1,93,000	1,86,000	16,76,621	18,56,000	28
Sanitation	6,88,785	8,06,000	11,86,000	2,59,711	2,26,000	2,39,000	33,51,418	18,69,000	29
Political	1,02,18,315	1,65,34,000	1,75,64,000	33,77,482	38,62,000	50,53,000	1,32,676	1,48,000	30
Agriculture	8,19,097	8,67,000	11,72,000	80,060	70,000	1,53,000	11,21,167	12,29,000	31
Scientific and Miscellaneous Departments	38,98,372	41,41,000	41,84,000	8,479	9,000	9,000	10,27,401	13,50,000	32
Total	2,93,14,589	3,65,22,000	3,90,44,000	76,32,689	85,03,000	1,02,25,000	3,84,46,676	3,88,91,000	33
Miscellaneous Civil Charges:									
Territorial and Political Pensions	1,86,026	1,94,000	2,00,000	57,670	61,000	61,000	3,09,757	3,11,000	34
Civil Furlough and Absentee Allowances	3,370	6,000	4,000	...	...	...	5,426	7,000	35
Superannuation Allowances and Pensions	14,53,765	14,84,000	14,80,000	1,76,011	1,76,000	1,78,000	33,34,807	33,68,000	36
Stationery and Printing	4,66,385	10,64,000	16,45 000	1,08,548	1,14,000	1,22,000	19,67,567	18,60,000	37
Miscellaneous	12,68,888	23,53,000	11,19,000	71,147	44,000	42,000	5,49,958	5,02,000	38
Total	33,78,434	51,01,000	44,48,000	4,13,376	3,95,000	4,03,000	61,67,515	60,48,000	39
Famine Relief and Insurance:									
Famine Relief	1,30,094	5,15,000	...	...	...		...	8,000	40
Construction of Protective Railways	−2,896	−9,000	−8,000	...	...		...	...	41
Construction of Protective Irrigation Works	−1,89,478	...	−2,00,000	...	...		3,84,038	2,79,000	42
Reduction or Avoidance of Debt	39,09,580	54,66,000	78,64,000	...	...		2,50,000	2,50,000	43
Total	38,47,200	59,72,000	76,56,000	...	...		6,34,038	5,37,000	44
Carried forward to page 300	6,56,35,563	7,81,99,000	9,33,29,000	88,75,195	97,79,000	1,15,80,000	6,86,24,709	6,92,41,000	45

	ACCOUNTS, 1915-1916.			
	India	India converted into £ at R15=£1.	England.	TOTAL.
(*a*) Included under the following heads:—	Rs.	£	£	£
State Railways: Interest on Debt	6,39,96,605	4,266,440	3,657,230	7,923,670
Interest chargeable against Companies on Advances	2,65,536	17,703	81,250	98,953
TOTAL	6,42,62,141	4,284,143	3,738,480	8,022,623

in each of the PROVINCES of *British India*, and in *England*, for 1917-1918.
RESULTS OF 1915-1916 and 1916-1917.

		BOMBAY.			BENGAL.			CARRIED FORWARD.		
	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.
	Rs.	R	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	9,50,000	21,29,703	30,14,000	28,96,000	8,17,313	14,64,000	10,12,000	37,33,189	54,39,000	49,79,000
2	13,10,000	1,10,60,548	1,10,59,000	1,10,01,000	1,21,953	1,45,000	1,36,000	1,60,87,230	1,59,82,000	1,59,33,000
3	1,25,50,000	86,58,731	84,21,000	87,92.000	55,12,232	52,70,000	56,88,000	2,79,08,577	2,74,53,000	2,84,87,000
4	...	638	1,000	1,000	20,579	23,000	22,000	29,111	31,000	31,000
5	18,03,000	21,85,503	23,00,000	24,11,000	2,70,435	2,70,000	2,75,000	54,93,062	58,36,000	59,72,000
6	4,44,000	2,38,679	2,56,000	2,48,000	5,82,710	6,33,000	6,28,000	—11,118	48,000	—2,000
7	18,56,000	11,47,633	11,26,000	11,31,000	7,74,358	8,70,000	9,00,000	39,07,295	39,65,000	40,19,000
8	4,38,000	15,26,308	15,60,000	17,27,000	13,36,745	13,43,000	13,43,000	32,82,652	33,35,000	35,08,000
9	66,000	1,71,853	1,82,000	2,09,000	1,52,964	1,61,000	1,69,000	3,89,043	4,14,000	4,50,000
10	29,63,000	26,42,038	26,00,000	29,46,000	5,93,635	5,90,000	6,52,000	73,65,081	71,69,000	79,98,000
11	13,39,000	3,71,933	3,75,000	3,78,000	11,27,328	11,29,000	11,36,000	27,83,539	28,48,000	28,82,000
12	2,37,19,000	3,01,33,567	3,03,94,000	3,17,40,000	1,13,10,752	1,18,98,000	1,19,61,000	7 09.67.711	7,25,20,000	7,42,57,000
13	3,49,000	7,39,765	6,59,000	5,84,000	4,76,626	5,09,000	5,14,000	5,49,89,498	5,44,30,000	6,45,25,000
14	...	...	...	...	...	...	...	*6,42,62,141*	*6,50,07,000*	*6,62,00,000*
15	...	...	...	...	...	...	...	*1,98,60,762*	*2,04,59,000*	*2,09,64,000*
16	3,49,000	7,39,765	6,59,000	5,84,000	4,76,626	5,09,000	5,14,000	-2,91,33,405	-3,10,36,000	—2,26,39,000
17	2,60,000	4,61,735	5,26,000	5,38,000	1,67,592	2,02,000	2,44,000	89,03,665	95,83,000	1,21,39,000
18	6 09,000	12,01,500	11,85,000	11 22,000	6,44.218	7,11,000	7,58,000	—2,02,29,740	-2,14,53,000	—1,05,00,000
19	...	...	...	...	...	...	...	4,51,07,117	4,76,05,000	4,86,10,000
20	...	4,81,241	11,40,000	6.37,000	...	...	...	12,27.040	24,06,000	13,12,000
21	20,92,000	28,14,444	28,66,000	28,83,000	28,84,418	29,80,000	30,13,000	1,49,42,635	1,52,89,000	1,53,67,000
22	86,15,000	57,75,879	56,58,000	57,73,000	1,03,11,110	99,38,000	1,01,57,000	2,57,34,199	2,53,64,000	2,57,69,000
23	15.48,000	12,85,300	13,51,000	13,35,000	25,06,617	28,60,000	28,89.000	75,18,203	83,03,000	83,59,000
24	1,17,47,000	1,05,79,762	1,06,89,000	1,12,49,000	1,09,03,783	1,12,27,000	1,34,38,000	3,66,55,396	3,78,33,000	4,13,98,000
25	47,000	1,86,008	1,43,000	1,14,000	13,73,063	11,68,000	12,15,000	16,06,091	13,53,000	13,76,000
26	94,79,000	75,29,863	76,84,000	85,89,000	84,83,414	82,18,000	98,13,000	2,52,23,801	2,58,31,000	2,99,24,000
27	3,66,000	3,17,201	3,70,000	4,64,000	1,89,362	1,72,000	1,78,000	11,23,809	11,40,000	12,16,000
28	22,89,000	18,12,721	18,60,000	19,60,000	22,83,740	23,15,000	26,14,000	68,43,542	71,96,000	80 97,000
29	13,76,000	5,73,767	6,16,000	10,85,000	4 15035	5,15,000	5.98,000	52,88,716	40,32,000	41 84,000
30	1,46,000	10,67,716	11,03,000	12,34,000	28,787	2,83,000	2,42,000	1,48,24,976	2,19,25,000	2,42 39,000
31	14,50,000	12,06,261	12,66,000	15,71,000	11,39,162	11,00,000	12,26,000	43,65,747	45,32,000	55,72,000
32	15,55,000	1,52,064	1,51,000	3,17,000	4,49,697	4,65,000	5,85,000	55,36,013	61,16,000	66,50,000
33	4,07,10,000	3,33,00,986	3,37,57,000	3,65,74,000	4,09,68 188	4,12,41,000	4,59,68,000	14,96,63,128	15,89,14,000	17,25,21,000
34	3,14,000	4,71,049	4,79,000	4,79,000	7,21,388	7,20,000	7,23,000	17,45,890	17,65,000	17,77,000
35	6,000	786	8,000	5,000	219	1,000	1,000	9,801	22,000	16,000
36	34,87.000	38,68,904	39,12,000	39,33,000	31,78,153	33,26,000	34,48,000	1,20,11,640	1,22,66,000	1,25,26,000
37	23,75,000	16,86,003	20,00,000	19,63,000	13,75,796	13,62,000	14,67,000	56,04,299	64,00,000	75,72,000
38	5,13,000	11,17,000	9,57,000	11,72,000	7,83,153	5,53,000	12,81,000	37,90,146	44,09,000	41,27,000
39	66.95,000	71,43,742	73,56,000	75,52,000	60,58,709	59,62,000	69,20,000	2,31,61,776	2,48,62,000	2,60.18,000
40	...	1,774	47,000	..	...	7,15,000	...	1,31,868	12,85,000	...
41	...	...	...	...	...	...	...	—2,896	—9,000	—8,000
42	3,17,000	36,82,790	26,20,000	30,24,000	1,722	2,000	1,000	38,79,072	29,01,000	31,42,000
43	...	13,70,000	3,70,000	...	60,000	60,000	...	55,89,580	61,46,000	78,64,000
44	3,17,000	50,54,564	30,37,000	30,24,000	61,722	7,77,000	1,000	95,97,624	1,03,23,000	1,09,98,000
45	7,20,50,000	7,73,15,600	7,73,69,000	8,06,49,000	5,90,43,589	6,05,89,000	6,56,08,000	27,94,94,656	29,51,77,000	32,32,16,000

REVISED ESTIMATE, 1916-1917.				BUDGET ESTIMATE, 1917-1918.			
India.	India converted into £ at R15=£1.	England.	TOTAL.	India.	India converted into £ at R15=£1.	England.	TOTAL.
Rs.	£	£	£	Rs.	£	£	£
6,47,47,000	4,316,500	3,649,700	7,966,200	6,59,43,000	4,396,200	3,638,200	8,034,400
2,60,000	17,300	81,200	98,500	2,57,000	17,100	81,200	98,300
6,50,07,000	4,333,800	3,730,900	8,064,700	6,62,00,000	4,413,300	3,719,400	8,132,700

No. 2.—Account showing the Estimated Expenditure (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	BROUGHT FORWARD.			UNITED PROVINCES OF AGRA AND OUDH.			PUNJAB.		
	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	
Direct Demands on the Revenues:	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Refunds and Drawbacks .	37,33,189	54,39,000	49,79,000	2,48,117	3,04,000	2,90,000	1,70,118	2,13,000	1
Assignments and Compensations	1,60,87,230	1,59,82,000	1,59,33,000	3,23,718	3,28,000	3,31,000	86,181	1,01,000	2
Charges in respect of Collection, *viz.*:									
Land Revenue . . .	2,79,08,577	2,74,53,000	2,84,87,000	95,07,344	96,50,000	98,92,000	49,46,687	47,73,000	3
Opium (including cost of Production) . . .	29,111	31,000	31,000	1,71,24,250	1,51,27,000	1,97,71,000	...	...	4
Salt (including cost of Production)	54,93,062	58,36,000	59,72,000	...	...	...	...	...	5
Stamps	—11,118	48,000	—2,000	2,63,448	2,63,000	2,72,000	1,78,242	1,78,000	6
Excise . . .	39,07,295	39,65,000	40,19,000	4,81,865	4,86,000	5,04,000	2,25,691	2,43,000	7
Customs . . .	32,82,652	33,35,000	35,08,000	...	...	...	...	...	8
Income Tax	3,89.043	4,14,000	4,50,000	413	...	...	12.423	27,000	9
Forest	73,65,081	71,69,000	79,98,000	25,66,307	29,16,000	30,79,000	9,23,879	9,47,000	10
Registration . . .	27,83,589	28,48,000	28,82,000	3,11,322	3,07,000	3,08,000	1,26,149	1,27,000	11
Total .	7,09,67,711	7,25,20,000	7,42,57,000	3,08,26,784	2,93,81,000	3,44,47,000	66,69,370	66,09,000	12
Interest:									
Interest on Debt . . .	5,49,89,498	5,44,30,000	6,45,25,000	13,74,089	11,27,000	10,16,000	2,00,634	1,97,000	13
Deduct—Amounts chargeable to Railways .	*6,42,62,141*	*6,50,07,000*	*6,62,00,000*	...	...		...	...	14
„ „ Irrigation .	*1,98,60,762*	*2,04,59,000*	*2,09,64,000*	...	...		...	...	15
Remainder chargeable on Ordinary Debt . . .	—2,91,33,405	—3,10,36,000	—2,26,39,000	13,74,089	11,27,000	10,16,000	2,00,634	1,97,000	16
Interest on other Obligations .	89,03,665	95,83,000	1,21,39,000	8,17,709	8,10,000	9,48,000	1,46,674	1,70,000	17
Total .	—2,02,29,740	—2,14,53,000	—1,05,00,000	21,91,798	19,37,000	19,64,000	3,47,308	3,67,000	18
Posts and Telegraphs . .	4,51,07,117	4,76,05,000	4,86,10,000	...	...		...	...	19
Mint	12,27,040	24,06,000	13,12,000	...	...		...	...	20
Salaries and Expenses of Civil Departments:									
General Administration .	1,49,42,635	1,52,89,000	1,53,67,000	21,94,340	22,20,000	22,22,000	16,80,507	17,16,000	21
Law and Justice:									
Courts of Law . . .	2,57,34,199	2,53,64,000	2,57,69,000	69,97,430	68,17,000	68,18,000	47,44,398	45,27,000	22
Jails	75,18,203	83,03,000	83,59,000	23,84,085	23,00,000	24,15,000	17,93,754	18,46,000	23
Police . . .	3,66,55,096	3,78,33,000	4,13,98,000	1,28,01,703	1,25,21,000	1,27,78,000	64,25,524	65,31,000	24
Ports and Pilotage . .	16,06,091	13,53,000	13,76,000	...	...	...	...	...	25
Education	2,52,23,801	2,58,31,000	2,99,24,000	60,78,311	62,70,000	68,80,000	44,10,192	42,53,000	26
Ecclesiastical . .	11,23,809	11,40,000	12,86,000	2,87,932	2,57,000	2,65,000	2,61,357	2,49,000	27
Medical	68,43,542	71,96,000	80,97,000	13,56,449	13,55,000	14,23,000	12,41,347	8,71,000	28
Sanitation	52,88,716	40,32,000	44,84,000	14,31,461	14,73,000	16,21,000	7,24,833	8,36,000	29
Political	1,48,24.976	2,19.25.000	2,42,39,000	1,41,239	1,49,000	1,51,000	6,22,022	5,97,000	30
Agriculture	43,65,747	45,32,000	55,72,000	12,74,821	12,54,000	21,66,000	12,10,038	12,33,000	31
Scientific and Miscellaneous Departments . . .	55,36,013	61,16,000	66,50,000	1,11,509	1,19,000	1,01,000	1,39,277	1,46,000	32
Total .	14,96,63,128	15,89,14,000	17,25,21,000	3,50,59,280	3,47,35,000	3,68,40,000	2,32,53,249	2,28,05,000	33
Miscellaneous Civil Charges:									
Territorial and Political Pensions	17,45,890	17,65,000	17,77,000	7,70,124	7,84,000	7,78,000	2,24,463	73,000	34
Civil Furlough and Absentee Allowances . . .	9,801	22,000	16,060	46	,000	1,000	...	...	35
Superannuation Allowances and Pensions . . .	1,20,11,640	1,22,66,000	1,25,26,000	36,19,218	37,61,000	38,98,000	23,18,076	25,07,000	36
Stationery and Printing . .	56,04,299	64,00,000	75,72,000	9,89,632	9,52,000	11,28,000	7,95,959	8,08,000	37
Miscellaneous . . .	37,90,146	44,09,000	41,27,000	4,28,143	3,49,000	7,12,000	4,34,949	5,64,000	38
Total .	2,31,61,776	2,48,62,000	2,60,18,000	58,07,163	58,47,000	65,17,000	37,73,447	39,52,000	39
Famine Relief and Insurance:									
Famine Relief	1,31,868	12,85,000	...	45,877	80,000	4,000	8,67,173	13,00,000	0
Construction of Protective Railways . . .	—2,896	—9,000	—8,000	...	...		...	...	41
Construction of Protective Irrigation Works . .	38,79,072	29,01,000	31,42,000	15,23,788	8,86,000	7,07,000	...	...	42
Reduction or Avoidance of Debt	55,89,580	61,46,000	78,64,000	4,50,000	4,50,000		1,40,000	1,40,000	43
Total .	95,97,624	1,03,23,000	1,09,98,000	20,19,665	14,16,000	7,11,000	10,07,173	14,40,000	44
Carried forward to page 302.	27,94,94,656	29,51,77,000	32,32,16,000	7,59,04,690	7,33,16,000	8,04,79,000	3,50,50,547	3,51,73,000	45

in each of the Provinces of *British India*, and in *England*, for 1917-1918.
Results of 1915-1916 and 1916-1917—*continued*.

		Burma.			Bihar and Orissa.			Carried forward.		
	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.
	Rs.	Rs.	Rs	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	1,81,000	7,38,316	9,21,000	7,79,000	93,726	1,00,000	96,000	49,83,466	69,77,000	63,25,000
2	1,06,000	400	1,000	1,000	1,02,240	1,04,000	1,11,000	1,65,99,769	1,65,16,000	1,64,82,000
3	51,13,000	70,94,318	68,91,000	69,42,000	33,20,134	32,39,000	35,03,000	5,27,77,060	5,20,06,000	5,39,37,000
4	...	...	...	...	...	...	...	1,71,53,361	1,51,58,000	1,98,02,000
5	...	44,910	45,000	45,000	74,564	76,000	76,000	56,12,536	59,57,000	60,93,000
6	1.77,000	94,632	1,02,000	1,00,000	1,77,887	2,03,000	2,07,000	7,03,091	7,94,000	7,54,000
7	2,58,000	12,52,270	12,59,000	12,57,000	5,85,276	6,04,000	6,15,000	64,52,397	65,57,000	66,53,000
8	...	6,31,451	7,14,000	7,61,000	16,680	16,000	18,000	39,30,783	40,65,000	42,87,000
9	29,000	47,732	49,000	49,000	45,996	46,000	46,000	4,95,607	5,36,000	5,74,000
10	11,34,000	48,86,242	49,18,000	52,28,000	3,61,550	4,37,000	4,33,000	1,61,03,059	1,63,87,000	1,78,72,000
11	1,30,000	1,08,725	1,09,000	1,06,000	3,78,240	3,81,000	3,93,000	37,08,025	37,72,000	38,19,000
12	71,28,000	1,48,98,996	1,50,09,000	1,52,68,000	51,56,293	52,06,000	54,98,000	12,85,19,154	12,87,25,000	13,65,98,000
13	2,05,000	1,07,450	1,12,000	1,21,000	1,08,478	1,13,000	1,33,000	5,67,80,149	5,59,79,000	6,60,00,000
14	...	...	...	...	...	...	...	*6,42,62,141*	*6,50,07,000*	*6,62,00,000*
15	...	...	...	...	...	...	...	*1,98,60,762*	*2,04,59,000*	*2,09,64,000*
16	2,05,000	1,07,450	1,12,000	1,21,000	1,08,478	1,13,000	1,33,000	—2,73,42,754	—2,94,87,000	—2,11,64,000
17	1,95,000	1,02,578	1,17,000	1,31,000	94,741	1,13,000	1,31,000	1,00,65,367	1,07,93,000	1,35,44,000
18	4,00,000	2,10,028	2,29,000	2,52,000	2,03,219	2,26,000	2,64,000	—1 72,77,387	—1,86,94,000	—76,20,000
19	...	...	...	...	...	...	...	4,51,07,117	4,76,05,000	4,86,10,000
20	...	...	...	...	...	...	...	12,27,040	24,06,000	12,13,000
21	17,04,000	22,35,060	23,18,000	22,64,000	16,15,464	17,21,000	16,72,000	2,26,68,006	2,32,64,000	2,32,29,000
22	46,74,000	50,76,796	51,17,000	50,88,000	38,22,402	41,49,000	42,20,000	4,63,75,225	4,59,74,000	4,65,69,000
23	19,46,000	15,31,723	15,78,000	16,24,000	14,21,469	14,71,000	15,13,000	1,46,49,234	1,54,98,000	1,58,57,000
24	70,14,000	1,37,05,639	1,39,63,000	1,38,04,000	47,55,942	47,21,000	48,67,000	7,43,44,204	7,55,69,000	7,98,61,000
25	...	14,86,303	16,15,000	14,84,000	5,114	6,000	7,000	30,97,508	29,74,000	28,67,000
26	46,32,000	30,44,813	30,80,000	37,59,000	35,73,507	37,31,000	41,50,000	4,23,30,624	4,31,65,000	1,93,45,000
27	2,60,000	1,41,366	1,41,000	1,47,000	34,893	36,000	40,000	18,49,357	18,23,000	19,98,000
28	11,05,000	17,51,523	16,10,000	17,68,000	6,37,591	6,47,000	6,96,000	1,18,30,452	1,16,79,000	1,30,89,000
29	7,67,000	9,37,462	9,11,000	9,10,000	3,27,032	3,12,000	5,45,000	87,09,504	75,64,000	83,27,000
30	6,13,000	11,89,489	10,37,000	17,33,000	39,687	49,000	60,000	1,68,17,413	2,37,57,000	2,67,96,000
31	24,45,000	6,03,974	6,12,000	6,92,000	4,73,647	4,67,000	5,98,000	79,28,227	80,98,000	1,14,73,000
32	1,75,000	1,07,732	1,20,000	1,17,000	21,634	32,000	26,000	59,16,165	65,33,000	70,69,000
33	2,53,35,000	3,18,11,880	3,21,02,000	3,33,90,000	1,67,28,382	1,73,42,000	1,83,94,000	25,65,15,919	26,58,98,000	28,64,80,000
34	76,000	1,31,916	1,24,000	1,26,000	69,803	58,000	54,000	29,42,196	28,04,000	28,11,000
35	...	...	...	...	1,845	6,000	6,000	11,692	29,000	23,000
36	26,71,000	10,97,534	11,51,000	11,71,000	10,05,363	10,34,000	10,69,000	2,00,51,831	2,07,19,000	2,13,35,000
37	8,64,000	6,92,894	6,54,000	6,89,000	6,71,744	6,65,000	6,58,000	87,54,528	94,79,000	1,09,11,000
38	12,21,000	5,63,455	5,58,000	5,54,000	1,62,272	1,98,000	2,83,000	53,78,965	60,78,000	68,97,000
39	48,32,000	24,85,799	24,87,000	25,40,000	19,11,027	19,61,000	20,70,000	3,71,39,212	3,91,09,000	4,19,77,000
40	7,40,000	...	...	...	75,502	2,25,000	1,00,000	11,20,420	28,90,000	8,44,000
41	...	...	...	...	...	...	...	—2,696	—9,000	—8,000
42	...	—4	...	...	63,020	1,02,000	2,25,000	54,65,876	38,89,000	40,74,000
43	...	...	...	...	2,00,000	2,00,000	...	63,79,580	69,36,000	78,64,000
44	7,40,000	—4	...	...	3,38,522	5,27,000	3,25,000	1,29,62,980	1,37,06,000	1,27,74,000
45	3,84,35,000	4,94,06,699	4,98,27,000	5,14,50,000	2,43,37,443	2,52,62,000	2,65,51,000	46,41,94,035	47,87,55,000	52,01,31,000

No. 2.—Account showing the Estimated Expenditure (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	BROUGHT FORWARD.			CENTRAL PROVINCES AND BERAR.			ASSAM.			
	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	
Direct Demands on the Revenues:	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Refunds and Drawbacks	49,83,466	69,77,000	63,25,000	1,33,907	81,000	88,000	49,315	38,000	41,000	1
Assignments and Compensations	1,65,99,769	1,65,16,000	1,64,82,000	25,59,055	25,59,000	25,56,000	54,235	51,000	54,000	2
Charges in respect of Collection, *viz.*:—										
Land Revenue	5,27,77 060	5,20,06,000	5,39,37,000	41,26,317	40,27,000	40,52,000	16,37,550	17,05,000	16,75,000	3
Opium (including cost of Production)	1,71,53,361	1,51,58,000	1,98,02,000	...	...	...	...	...	...	4
Salt (including cost of Production)	56,12,536	59,57,000	60,93,000	...	...	...	851	1,000	1,000	5
Stamps	7,03,091	7,94,000	7,54,000	1,10,505	1,24,000	1,27,000	48,108	48,000	50,000	6
Excise	64,52,397	65,57,000	66,53,000	4,80,171	4,85,000	5,48,000	1,22,242	1,23,000	1,23,000	7
Customs	39,30 783	40,65,000	42,87,000	...	...	...	...	...	...	8
Income Tax	4,95,607	5,36,000	5,74,000	16,253	21,000	38 000	4,522	5,000	5,000	9
Forest	1,61,03,059	1,63,87,000	1,78 72,000	17,34,336	17,60,000	19,26,000	7,55,214	7,20,000	7,15,000	10
Registration	37,08,025	37,72,000	38,19,000	1,24,536	1,29,000	1,58,000	65,051	68,000	72,000	11
Total	12,85,19,154	12,87,25,000	13,65,98,000	92,85,080	91,86,000	94 93,000	27,37,088	27,59,000	27,36,000	12
Interest:										
Interest on Debt	5,67,80,149	5,59,79,000	6,60,00,000	1,98,774	1,76,000	1,55,000	68,018	1,25,000	1,85,000	13
Deduct—Amounts chargeable to Railways	*6,42,62,141*	*6,50,07,000*	*6,62,00,000*	...		...	...			14
Deduct—Amounts chargeable to Irrigation	*1,98,60,762*	*2,04,59,000*	*2,09,64,000*	...		...	...			15
Remainder chargeable on Ordinary Debt	—2,73,42,754	—2,94,87,000	—3,11,64,000	1,98,774	1,76,000	1,55,000	68,018	1,25,000	1,85,000	16
Interest on other Obligations	1,00,65,367	1 07,93,000	1.35,44,000	83,507	96,000	1,12,000	33,242	37,000	43,000	17
Total	—1,72,77,387	—1,86,94,000	—76,20.000	2,82,281	2,72,000	2,67,000	101,260	1,62,000	2,28,000	18
Posts and Telegraphs	4,51,07,117	4,76,05,000	4,86.10,000	...		...	...	...		19
Mint	12,27,040	24,06,000	13,12,000	...		...	...	...		20
Salaries and Expenses of Civil Departments:										
General Administration	2,26,68,006	2 32,64,000	2,32,29,000	11,23,184	11,45,000	11,53,000	7,73,292	7,67,000	7,70,000	21
Law and Justice:										
Courts of Law	4,63,75,225	4,59,74,000	4,65,69,000	28,83.014	28,44,000	30,72,000	10,35,202	10,35,000	10,53,000	22
Jails	1,46,49.234	1,54,98,000	1,58,57,000	6,56,887	6,75,000	6,77,000	3,29,022	3,26,000	3,47,000	23
Police	7,43,44,204	7,55,69,000	7,98,61,000	35,88,952	34,82 000	36,87,000	23,65,730	23,92,000	23,99,000	24
Ports and Pilotage	30,97,508	29,74,000	28,67,000	...	...	...	61,620	60,000	62,000	25
Education	4,23,30,624	4,31,65,000	4,93,45,000	27,85,989	29,22,000	32,71,000	14,13,758	14,48,000	15,85,000	26
Ecclesiastical	18,49,357	18,23,000	19,98,000	91,913	1,12,000	1,13,000	22,586	19,000	22,000	27
Medical	1,18,30,452	1,16,79,000	1,30,89,000	6,94,816	7,27,000	8,57,000	5,61,957	5,26,000	5,67,000	28
Sanitation	87,09,504	75,64,000	83,27.000	5,36,972	6,09,000	6,53,000	1,06,657	1,29,000	1,49,000	29
Political	1,68,17,413	2,37,57,000	2,67,96,000	30,422	40,000	44,000	5,68,221	5,34,000	5,95,000	30
Agriculture	79,28,227	80,98,000	1,14,73,000	7,81,288	8,59,000	11,76,000	2,33,082	2,94,000	3,16,000	31
Scientific and Miscellaneous Departments	59,16,165	65,33,000	70,69,000	79,765	93,000	1,17,000	87,599	84,000	84,000	32
Total	25,65,15,919	26,58,98,000	28,64,80,000	1,32,53,202	1,35,08,000	1,48,20,000	75,57,826	76,14,000	79,49,000	33
Miscellaneous Civil Charges:										
Territorial and Political Pensions	29,42,196	28,04,000	28,11,000	1,78,338	1,76,000	1,78,000	7,343	8,000	8,000	34
Civil Furlough and Absentee Allowances	11,692	29,000	23,000	...	...	...	...	...	...	35
Superannuation Allowances and Pensions	2,00,51,831	2,07,19,000	2,13,35,000	9,61,856	10,45,000	10,83,000	3,35,677	3,41,000	3,45,000	36
Stationery and Printing	87,54,528	94,79,000	1,09,11,000	3,70,964	3,60,000	3,57,000	1,79,178	1,76,000	1,72,000	37
Miscellaneous	53,78,965	60,78,000	68,97,000	1,68,829	1,51,000	1,99,000	5,43,705	5,85,000	5,87,000	38
Total	3 71,39,212	3,91,09,000	4,19,77,000	16,79,987	17,32,000	18,17,000	10,65,903	11,10,000	11,12,000	39
Famine Relief and Insurance:										
Famine Relief	11,20,420	28,90,000	8,44,000	...	...	...	...	...		40
Construction of Protective Railways	—2,896	—9,000	—8,000	...	...	...	...	...		41
Construction of Protective Irrigation Works	54,65,876	38,89,000	40,74,000	19,53,560	12,61,000	19,50,000	...	...		42
Reduction or Avoidance of Debt	63,79,580	69,36,000	78,64,000	...	...	...	...	...		43
Total	1,29,62,980	1,37,06,000	1,27,74,000	19,53,560	12,61,000	19,50,000	...	...	...	44
Carried forward to page 304	46,41,94,035	47,87,55,000	52,01,31,000	2,64,54110	2,59,59,000	2,83,47,000	1,14,62,077	1,16,45,000	1,20,25,000	45

in each of the Provinces of *British India*, and in *England*, for 1917-1918
Results of 1915-1916 and 1916-1917—*continued*.

	TOTAL INDIA.						ENGLAND.			GRAND TOTAL.		
	Rupees.			Rupees converted into £ at ₹15=£1.								
	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.
	Rs.	Rs.	Rs.	£	£	£	£	£	£	£	£	£
1	51,66,688	70,96,000	64,54,000	344,446	473,000	430,300	...	...	...	344,446	473,000	430,300
2	1,92,13,059	1,91,26,000	1,90,92,000	1,280,870	1,275,100	1,272,800	...	...	...	1,280,870	1,275,100	1,272,800
3	5,85,40,927	5,77,38,000	5,96,64,000	3,902,729	3,849,200	3,977,600	985	2,100	2,000	3,903,714	3,851,300	3,979,600
4	1,71,53,361	1,51,58,000	1,98,02,000	1,143,557	1,010,500	1,320,100	774	800	900	1,144,331	1,011,300	1,321,000
5	56,13,387	59,58,000	60,94,000	374,226	397,200	406,300	2,496	2,500	2,300	376,722	399,700	408,600
6	8,61,704	9,66,000	9,31,000	57,447	64,400	62,100	89,703	105,000	98,600	147,150	169,400	160,700
7	70,54,810	71,65,000	73,24,000	470,321	477,700	488,300	419	400	200	470,740	478,100	488,500
8	39,30,783	40,65,000	42,87,000	262,052	271,000	285,800	212	400	100	262,264	271,400	285,900
9	5,16,382	5,62,000	6,17,000	34,426	37,500	41,100	...	...	...	34,426	37,500	41,100
10	1,85,92,609	1,88,67,000	2,05,13,000	1,239,507	1,257,800	1,367,500	3,360	2,500	1,600	1,242,867	1,260,300	1,369,100
11	38,97,612	39,69,000	40,49,000	259,840	264,600	269,900	...	...	...	259,840	264,600	269,900
12	14,05,41,322	14,06,70,000	14,88,27,000	9,369,421	9,378,000	9,921,800	97,949	113,700	105,700	9,467,370	9,491,700	10,027,500
13	5.70,46,941	5,62,80,000	6,63,40,000	3,803,130	3,752,000	4,422,700	6,182,399	5,846,800	11,155,800	9,985,529	9,598,800	15,578,500
14	*6,42,62,141*	*6,50,07,000*	*6,62,00,000*	*4,284,143*	*4,333,800*	*4,413,300*	*3,738,480*	*3,730,900*	*3,719,400*	*8,022,623*	*8,064,700*	*8,132,700*
15	*1,98,60,762*	*2,04,59,000*	*2,09,64,000*	*1,324,051*	*1,363,900*	*1,397,600*	*127,299*	*128,100*	*128,600*	*1,451,350*	*1,492,000*	*1,526,200*
16	—2,70,75,962	—2,91,86,000	—2,08,24,000	—1,805,064	—1,945,700	—1,388,200	2,316,620	1,987,800	7,307,800	511,556	42,100	5,919,600
17	1,01,82,116	1,09,26,000	1,36,99,000	678,808	728,400	913,200	...	...	...	678,808	728,400	913,200
18	—1,68,93,846	—1,82,60,000	—71,25,000	—1,126,256	—1,217,300	—475,000	2,316,620	1,987,800	7,307,800	1,190,364	770,500	6,832,800
19	4,51,07,117	4,76,05,000	4,86,10,000	3,007,141	3,173,700	3,240,700	142,539	381,900	361,200	3,149,680	3,555,600	3,601,900
20	12,27,040	24,06,000	13,12,000	81,803	160,400	87,500	7,570	12,100	21,100	89,373	172,500	108,600
21	2,45,64,482	2,51,76,000	2,51,52,000	1,637,632	1,678,400	1,676,800	331,106	403,000	380,100	1,968,738	2,081,400	2,056,900
22	5,02,93,441	4,98,53,000	5,06,94,000	3,352,896	3,323,500	3,379,600	1,042	900	1,000	3,353,938	3,324,400	3,380,600
23	1,56,35,143	1,64,99,000	1,68,81,000	1,042,343	1,099,900	1,125,400	177	...	...	1,042,520	1,099,900	1,125,400
24	8,02,98,886	8,14,43,000	8,59,47,000	5,353,259	5,429,500	5,729,800	356	100	100	5,353,615	5,429,600	5,729,900
25	31,59,128	30,34,000	29,29,000	210,609	202,300	195,300	...	...	...	210,609	202,300	195,300
26	4,65,30,371	4,75,35,000	5,42,01,000	3,102,025	3,169,000	3,613,400	9,102	10,000	10,000	3,111,127	3,179,000	3,623,400
27	19,63,856	19,54,000	21,33,000	130,924	130,300	142,200	122	300	300	131,046	130,600	142,500
28	1,30,86,325	1,29,32,000	1,45,13,000	872,422	862,100	967,500	1,328	900	1,000	873,750	863,000	968,500
29	93,53,133	83,02,000	91,29,000	623,542	553,500	608,600	1,744	2,000	2,000	625,286	555,500	610,600
30	1,74,16,056	2,43,31,000	2,74,35,000	1,161,070	1,622,100	1,829,000	6,957	30,900	24,200	1,168,027	1,653,000	1,853,200
31	89,42,597	92,51,000	1,29,65,000	596,173	616,800	864,300	1,328	3,500	2,000	597,501	620,300	866,300
32	60,83,529	67,10,000	72,70,000	405,568	447,300	484,700	26,490	43,800	52,500	432,058	491,100	537,200
33	27,73,26,947	28,70,20,000	30,92,49,000	18,488,463	19,134,700	20,616,600	379,752	495,400	473,200	18,868,215	19,630,100	21,089,800
34	31,27,877	29,88,000	29,97,000	208,525	199,200	199,800	10,550	10,600	10,600	219,075	209,800	210,400
35	11,692	29,000	23,000	780	1,900	1,500	235,054	260,000	260,000	235,834	261,900	261,500
36	2,13,49,364	2,21,05,000	2,27,63,000	1,423,291	1,473,700	1,517,500	2,046,992	2,019,000	2,018,000	3,470,283	3,492,700	3,535,500
37	93,04,670	1,00,15,000	1,14,40,000	620,311	667,700	762,700	110,733	124,500	98,600	731,044	792,200	861,300
38	60,91,499	68,14,000	76,83,000	406,100	454,200	512,200	66,339	175,800	38,300	472,439	630,000	550,500
39	3 98,85,102	4,19,51,000	4,49,05,000	2,659,007	2,796,700	2,993,700	2,469,668	2,589,900	2,425,500	5,128,675	5,386,600	5,419,200
40	11,20,420	28,90,000	8,44,000	74,695	192,700	56,300	...	...	...	74,695	192,700	56,300
41	—2,896	—9,000	—8,000	—193	—600	—500	...	...	...	—193	—600	—500
42	74,19,436	51,50,000	60,24,000	494,629	343,300	401,600	5,564	2,200	18,400	500,193	345,500	420,000
43	63,79,580	69,36,000	78,64,000	425,305	462,400	524,200	...	...	...	425,305	462,400	524,200
44	1,49,16,540	1,49,67,000	1,47,24,000	994,436	997,800	981,600	5,564	2,200	18,400	1,000,000	1,000,000	1,000,000
45	50,21,10,222	51,63,59,000	56,05,03,000	33,474,015	34,424,000	37,366,900	5,419,662	5,583,000	10,712,900	38,893,677	40,007,000	48,079,800

No. 2.—Account showing the Estimated Expenditure (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	INDIA, GENERAL.			N.-W. FRONTIER PROVINCE.			MADRAS.		
	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward from page 294 .	6,56,35,563	7,81,99,000	9,33,29,000	88,75,195	97,79,000	1,15,80,000	6,86,24,709	6,92,41,000	1
Railway Revenue Account.									
State Railways :									
Interest on Debt	6,39,96,605	6,47,47,000	6,59,43,000	...	...	...	...	...	2
Annuities in purchase of Railways .	...	...	...	...	...	...	...	...	3
Sinking Funds	...	...	...	...	...	...	...	...	4
Interest chargeable against Companies on advances	2,65,536	2,60,000	2,57,000	...	...	...	...	...	5
Interest on Capital deposited by Companies	8,81,031	8,46,000	9,26,000	...	...	...	...	...	6
Subsidized Companies : Land, etc. .	24,30,669	29,61,000	19,00,000	...	...	...	...	...	7
Miscellaneous Railway Expenditure .	2,55,889	2,11,000	3,55,000	...	...	...	...	...	8
Total .	6,78,29,730	6,90,25,000	6,93,81,000	...	...	...	...	...	9
Irrigation :									
Major Works :									
Working Expenses	...	...	...	6,23,431	6,84,000	6,95,000	22,36,368	20,00,000	10
Interest on Debt	—19,09,489	—19,21,000	—19,29,000	8,43,572	8,85,000	9,11,000	30,14,934	30,53,000	11
Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance.	1,89,478	...	...	...	...	...	...	...	12
Minor Works and Navigation . . .	2,85,119	2,99,000	4,82,000	33,282	47,000	49,000	38,22,185	35,28,000	13
Total .	—14,34,892	—16,22,000	—14,47,000	15,00,285	16,16,000	16,55,000	90,73,487	85,81,000	14
Other Public Works :									
Construction of Railways charged to Provincial Revenues . . .	...	...	...	...	...	...	...	...	15
Civil Works	34,63,096	34,10,000	39,15,000	25,56,806	23,19,000	27,62,000	93,43,777	83,42,000	16
Total .	34,63,096	34,10,000	39,15,000	25,56,806	23,19,000	27,62,000	93,43,777	83,42,000	17
Military Services :									
Army :									
Effective	24,42,81,498	27,07,12,000	28,49,97,000	...	...	...	...	...	18
Non-effective	1,17,29,048	1,28,46,000	1,64,80,000	...	...	...	...	...	19
Marine	72,07,696	48,66,000	46,95,000	...	...	...	...	...	20
Military Works	1,22,41,584	2,25,87,000	1,70,81,000	...	...	...	...	...	21
Special Defences (1902)	83,941	3,50,000	1,55,000	...	...	...	...	...	22
Total .	27,55,43,767	31,13,61,000	32,34,08,000	...	...	...	...	...	23
Total Expenditure .	41,10,37,264	46,03,73,000	48,85,86,000	1,29,32,286	1,37,14,000	1,59,97,000	8,70,41,973	8,61,64,000	24
Add—Portion of Allotments to Provincial Governments not spent by them in the year . .	...	...	...	...	...	...	...	30,83,000	25
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances . .	...	...	...	...	...	...	*13,836*	...	26
Total Expenditure charged to Revenue	41,10,37,264	46,03,73,000	48,85,86,000	1,29,32,286	1,37,14,000	1,59,97,000	8,70,28,137	8,92,47,000	27
Railway, Irrigation and other Capital not charged to Revenue :									
Capital Outlay on Railways and Irrigation Works :									
State Railways	5,88,50,550	1,46,46,000	3,44,56,000	...	...	...	...	...	28
Irrigation Works	...	...	3,47,000	13,96,430	9,01,000	4,24,000	7,50,444	6,50,000	29
Initial Expenditure on New Capital at Delhi	48,20,739	36,66,000	37,75,000	...	...	...	...	...	30
Total .	6,36,71,289	1,83,12,000	3,85,78,000	12,96,430	9,01,000	4,24,000	7,50,444	6,50,000	31

in each of the Provinces of *British India*, and in *England*, for 1917-1918.
Results of 1915-1916 and 1916-1917—*continued*.

		Bombay.			Bengal.			Carried forward.		
	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	7,20,50,000	7,73,15,600	7,73,69,000	8,06,49,000	5,90,43,589	6,05,89,000	6,56,08,000	27,94,94,656	29,51,77,000	32,32,16,000
2	...	...	...	...	...	...	...	6,39,96,605	6,47,47,000	6,59,43,000
3	...	...	...	...	...	...	...	...	...	...
4	...	...	...	...	...	...	...	...	...	...
5	...	...	...	...	...	...	...	2,65,536	2,60,000	2,57,000
6	...	...	...	...	...	...	...	8,81,031	8,46,000	9,26,000
7	...	...	...	...	...	...	...	24,30,669	29,61,000	19,00,000
8	...	...	...	...	...	...	...	2,55,889	2,11,000	3,55,000
9	...	...	...	...	...	...	...	6,78,29,730	6,90,25,000	6,93,81,000
10	22,50,000	15,79,263	16,16,000	16,55,000	1,96,022	1,74,000	1,70,000	46,35,084	44,74,000	47,70,000
11	30,93,000	25,29,395	26,50,000	27,57,000	3,77,110	3,77,000	3,77,000	48,55,522	50,44,000	52,09,000
12	...	...	...	...	...	...	...	1,89,478	...	...
13	41,08,000	30,89,517	28,24,000	31,22,000	22,96,494	21,10,000	22,43,000	95,26,597	88,08,000	1,00,04,000
14	94,51,000	71,98,175	70,90,000	75,34,000	28,69,626	26,61,000	27,90,000	1,92,06,681	1,83,26,000	1,99,83,000
15	...	...	...	...	...	...	...	...	...	...
16	87,70,000	95,96,676	87,75,000	1,30,20,000	99,17,786	73,43,000	86,02,000	3,48,78,141	3,01,89,000	3,70,69,000
17	87,70,000	95,96,676	87,75,000	1,30,20,000	99,17,786	73,43,000	86,02,000	3,48,78,141	3,01,89,000	3,70,69,000
18	...	...	...	...	...	...	...	24,42,81,498	27,07,12,000	28,49,97,000
19	...	...	...	...	...	...	...	1,17,29,048	1,28,46,000	1,64,80,000
20	...	...	...	...	...	...	...	72,07,696	48,66,000	46,95,000
21	...	...	...	...	...	...	...	1,22,41,584	2,25,87,000	1,70,81,000
22	...	...	...	...	...	...	...	83,941	3,50,000	1,55,000
23	...	...	...	...	...	...	...	27,55,43,767	31,13,61,000	32,34,08,000
24	9,02,71,000	9,41,10,451	9,82,34,000	10,12,03,000	7,18,31,001	7,05,93,000	7,70,00,000	67,69,52,975	72,40,78,000	77,30,57,000
25	12,98,000	18,96,621	65,20,000	17,10,000	6,58,812	47,60,000	...	25,55,433	1,43,63,000	30,08,000
26	...	...	...	...	...	...	*11,21,000*	*13,836*	...	*11,21,000*
27	9,15,69,000	9,60,07,072	9,97,54,000	10,29,13,000	7,24,89,813	7,53,53,000	7,58,79,000	67,94,94,572	73,84,41,000	77,49,44,000
28	...	...	...	...	...	...	...	5,88,50,550	1,46,46,000	3,44,56,000
29	9,33,000	2,77,576	2,88,000	86,000	...	...	...	24,24,450	18,39,000	17,90,000
30	...	...	...	...	...	...	...	48,20,739	36,66,000	37,75,000
31	9,33,000	2,77,576	2,88,000	86,000	...	...	...	6,60,95,739	2,01,51,000	4, 00,21,000

No. 2.—Amount showing the Estimated Expenditure (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	BROUGHT FORWARD.			UNITED PROVINCES OF AGRA AND OUDH.			PUNJAB.			
	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916	1916-1917.	1917-1918.	
	Rs.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward from page 296.	27,94,94,656	29,51,77,000	32,32,16,000	7,59,04,690	7,33,16,000	8,04,79,000	3,50,50,547	3,51,73,000	3,84,35,000	1
Railway Revenue Account.										
State Railways :										
Interest on Debt	6,39,96,605	6,47,47,000	6,59,43,000	...	...	...	...	...	...	2
Annuities in purchase of Railways	...	...	...	...	...	...	...	...	...	3
Sinking Funds.	...	...	...	...	...	...	...	...	...	4
Interest chargeable against Companies on Advances	2,65,536	2,60,000	2,57,000	...	...	...	...	...	...	5
Interest on Capital deposited by Companies	8,81,031	8,46,000	9,26,000	...	...	...	...	...	...	6
Subsidized Companies: Land, etc.	24,30,669	29,61,000	19,00,000	4,853	9,000	5,000	...	...	...	7
Miscellaneous Railway Expenditure	2,55,889	2,11,000	3,55,000	...	...	...	...	...	...	8
Total	6,78,29,730	6,90,25,000	6,93,81,000	4,853	9,000	5,000	...	...	...	9
Irrigation :										
Major Works :										
Working Expenses	46,35,034	44,74,000	47,70,000	34,42,731	34,03,000	35,42,000	1,03,50,778	1,04,15,000	1,00,96,000	10
Interest on Debt	48,55,522	50,44,000	52,09,000	39,90,022	40,64,000	41,09,000	72,37,023	73,94,000	75,25,000	11
Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	1,89,478	....	...	...	...	...	...	...	...	12
Minor Works and Navigation	95,26,597	88,08,000	1,00,04,000	4,68,073	4,59,000	3,56,000	11,14,341	11,81,000	12,22,000	13
Total	1,92,06,681	1,83,26,000	1,99,83,000	79,00,826	79,26,000	80,07,000	1,87,02,142	1,89,90,000	1,88,43,000	14
Other Public Works :										
Construction of Railways charged to Provincial Revenues.	...	...	...	...	...	...	...	...	...	15
Civil Works	3,48,78,141	3,01,89,000	3,70,69,000	83,55,048	75,80,000	70,04,000	69,45,215	54,29,000	69,45,000	16
Total	3,48,78,141	3,01,89,000	3,70,69,000	83,55,048	75,80,000	70,04,000	69,45,215	54,29,000	69,45,000	17
Military Services :										
Army :										
Effective	24,42,81,498	27,07,12,000	28,49,97,000	...	...	...	...	...	...	18
Non-effective	1,17,29,048	1,28,46,000	1,64,80,000	...	...	...	...	...	...	19
Marine.	72,07,696	48,66,000	46,95,000	...	...	...	...	...	...	20
Military Works	1,22,41,584	2,25 87,000	1,70,81,000	...	...	...	...	...	...	21
Special Defences (1902)	83,941	3,50,000	1,55,000	...	...	...	...	...	...	22
Total	27,55,43,767	31,13,61,000	32,34,08,000	...	...	...	...	...	...	23
Total Expenditure	67,69,52,975	72,40,78,000	77,30,57,000	9,21,65,417	8,88,31,000	9,54,95,000	6,06,97,904	5,95,92,000	6,42,23,000	24
Add—Portion of Allotments to Provincial Governments not spent by them in the year	25,55,433	1,43,63,000	30,08,000	10,28,156	17,48,000	...	11,33,562	39,53,000	2,01,000	25
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	*13,836*	...	*11,21,000*	...	...	*14,000*	...	...	...	26
Total Expenditure charged to Revenue	67,94,94,572	73,84,41,000	77,49,44,000	9,31,93,573	9,05,79,000	9,54,81,000	6,18,31,466	6,35,45,000	6,44,24,000	27
Railway, Irrigation and other Capital not charged to Revenue :										
Capital Outlay on Railways, Irrigation and other Works :										
State Railways	5,88,50,550	1,46,46,000	3,44,56,000	...	...	...	...	...	...	28
Irrigation Works	24,24,450	18,39,000	17,90,000	9,37,313	7,86,000	8,87,000	42,44,401	33,10,000	30,80,000	29
Initial Expenditure on New Capital at Delhi	48,20,739	36,66,000	37,75,000	...	...	...	...	...	...	30
Total	6,60,95,739	2,01,51,000	4,00,21,000	9,37,313	7,86,000	8,87,000	42,44,401	33,10,000	30,80,000	31

in each of the Provinces of *British India*, and in *England*, for 1917-1918.
Results of 1915-1916 and 1916-1917—*continued*.

	Burma.			Bihar and Orissa.			Carried over.		
	1915-1916.	1916-1917.	1917-1918.	1915-1916	1916-1917	1917-1918.	1915-1916.	1916-1917.	1917-1918.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	4,94,66,699	4,98,27,000	5,14,50,000	2,43,37,443	2,52,62,000	2,65,51,000	46,41,94,035	47,87,55,000	52,01,31,000
2	...	...	...	...	...	...	6,39,96,605	6,47,47,000	6,59,43,000
3	...	...	...	...	...	...	...	...	...
4	...	...	...	...	...	...	...	...	...
5	...	...	...	...	...	...	2,65,536	2,60,000	2,57,000
6	...	...	...	...	...	...	8,51,031	18,46,000	9,26,000
7	...	...	...	...	...	...	24,35,522	29,70,000	19,05,000
8	...	...	...	...	...	...	2,55,889	2,11,000	3,55,000
9	...	...	...	...	...	...	6,78,34,533	6,90,34,000	6,93,86,000
10	5,90,691	6,00,000	7,50,000	15,17,399	14,84,000	14,96,000	2,05,36,683	2,03,76,000	2,06,54,000
11	8,96,250	9,44,000	9,77,000	20,90,934	20,94,000	21,00,000	1,90,69,751	1,95,40,000	1,99,20,000
12	...	...	...	...	...	...	1,89,478	...	...
13	11,62,984	11,18,000	12,29,000	2,83,550	2,72,000	3,43,000	1,25,55,545	1,18,38,000	1,31,54,000
14	26,49,925	26,62,000	29,56,000	38,91,883	38,50,000	39,39,000	5,23,51,457	5,17,54,000	5,37,28,000
15	...	...	...	...	...	...	...	...	...
16	96,35,398	86,18,000	1,11,95,000	93,36,652	72,70,000	82,59,000	6,91,50,454	5,90,86,000	7,04,72,000
17	96,35,398	86,18,000	1,11,95,000	93,36,652	72,70,000	82,59,000	6,91,50,454	5,90,86,000	7,04,72,000
18	...	...	...	...	...	...	24,42,81,498	27,07,12,000	28,49,97,000
19	...	...	...	...	...	...	1,17,29,048	1,28,46,000	1,64,80,000
20	...	...	...	...	...	...	72,07,696	48,66,000	46,95,000
21	...	...	...	...	...	...	1,22,41,584	2,25,87,000	1,70,81,000
22	...	...	...	...	...	...	83,941	3,50,000	1,55,000
23	...	...	...	...	...	...	27,55,43,767	31,13,61,000	32,34,08,000
24	6,16,92,022	6,11,07,000	6,56,01,000	3,75,65,978	3,63,82,000	3,87,49,000	92,90,74,296	96,99,90,000	1,03,71,25,000
25	...	19,99,000	...	...	...	...	47,17,151	2,20,63,000	132,09,000
26	*9,73,090*	...	*15,51,000*	*11,33,541*	*3,38,000*	*23,21,000*	*21,20,467*	*3,38,000*	*50,07,000*
27	6,07,18,932	6,31,06,000	6,40,50,000	3,64,32,437	3,60,44,000	3,64,28,000	93,16,70,980	99,17,15,000	1,03,53,27,000
28	...	...	...	...	...	...	5,88,50,550	1,46,46,000	3,44,56,000
29	14,28,407	12,91,000	5,78,000	...	...	...	90,84,571	72,26,000	63,35,000
30	...	...	...	...	...	...	48,20,739	36,66,000	37,75,000
31	14,28,407	12,91,000	5,78,000	...	...	...	7,27,05,860	2,55,38,000	4,45,66,000

No. 3.—Account showing the Estimated Expenditure (Imperial and Provincial compared with the

HEADS OF EXPENDITURE.	Brought Forward.			Central Provinces and Berar.			Assam.			
	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward from page 298	46,41,94,035	47,87,55,000	52,01,31,000	2,64,54,110	2,59,59,000	2,83,47,000	1,14,62,077	1,16,45,000	1,20,25,000	1
Railway Revenue Account:										
State Railways: Interest on Debt	6,39,96,605	6,47,47,000	6,59,43,000	...	...	...	...	...	...	2
Annuities in purchase of Railways	...	...	...	...	...	...	...	...	...	3
Sinking Funds	...	...	...	...	...	...	...	...	...	4
Interest chargeable against Companies on advances	2,65,336	2,60,000	2,57,000	...	...	...	...	...	...	5
Interest on Capital deposited by Companies	8,81,031	8,46,000	9,26,000	...	...	...	...	...	...	6
Subsidized Companies: Land, etc.	24,35,522	29,70,000	19,05,000	...	...	...	5,112	5,000	5,000	7
Miscellaneous Railway Expenditure	2,55,889	2,11,000	3,55,000	...	...	...	12,424	5,000	5,000	8
Total	6,78,34,583	6,90,34,000	6,93,86,000	...	...	...	17,536	10,000	10,000	9
Irrigation:										
Major Works: Working Expenses	2,05,36,683	2,03,76,000	2,06,54,000	87,118	1,28,000	2,15,000	...	...	...	10
Interest on Debt	1,90,69,751	1,95,40,000	1,99,20,000	7,91,011	9,19,000	10,44,000	...	...	...	11
Expenditure on Protective Irrigation works in addition to that charged under Famine Relief and Insurance	1,89,478	...	...	...	...	...	...	...	...	12
Minor Works and Navigation	1,25,55,545	1,18,38,000	1,31,54,000	5,77,173	3,93,000	5,56,000	95,846	56,000	40,000	13
Total	5,23,51,457	5,17,54,000	5,37,28,000	14,55,302	14,40,000	18,15,000	95,846	56,000	40,000	14
Other Public Works:										
Construction of Railways charged to Provincial Revenues	...	...	...	...	...	...	18,950	35,000	23,000	15
Civil Works	6,91,50,454	5,90,86,000	7,04,72,000	78,37,888	68,84,000	80,87,000	40,16,458	34,62,000	37,37,000	16
Total	6,91,50,454	5,90,86,000	7,04,72,000	78,37,888	68,84,000	80,87,000	40,35,408	34,97,000	37,60,000	17
Military Services:										
Army: Effective	24,42,81,498	27,07,12,000	28,49,97,000	...	...	...	...	...	...	18
Non-effective	1,17,29,048	1,28,46,000	1,64,80,000	...	...	...	...	...	...	19
Marine	72,07,696	48,66,000	46,95,000	...	...	...	...	...	...	20
Military Works	1,22,41,584	2,25,87,000	1,70,81,000	...	...	...	...	...	...	21
Special Defences (1902)	83,941	3,50,000	1,55,000	...	...	...	...	...	...	22
Total	27,55,43,767	31,13,61,000	32,34,08,000	...	...	...	...	...	...	23
Total Expenditure	92,90,74,296	96,99,90,000	1,03,71,25,000	3,57,47,300	3,42,83,000	3,82,49,000	1,56,10,867	1,52,08,000	1,58,35,000	24
Add—Portion of Allotments to Provincial Governments not spent by them in the year	47,17,151	2,20,63,000	32,09,000	3,18,508	25,55,000	8,95,000	...	...	...	25
Deduct—Portion of Provincial Expenditure defrayed from Provincial balances	*21,20,467*	*3,38,000*	*50,07,000*	...	...	...	*9,51,099*	*1,74,000*	*64,000*	26
Total Expenditure charged to Revenue	93,16,70,980	99,17,15,000	1,03,53,27,000	3,60,65,808	3,68,38,000	3,86,44,000	1,46,59,768	1,50,34,000	1,57,71,000	27
Railway, Irrigation and other Capital not charged to Revenue:										
Capital Outlay on Railways, Irrigation and other Works: State Railways	5,88,50,550	1,46,46,000	3,44,56,000	...	...	...	...	...	...	28
Irrigation Works	90,34,571	72,26,000	63,35,000	26,13,589	14,31,000	25,00,000	...	...	...	29
Initial Expenditure on New Capital at Delhi	48,20,739	36,66,000	37,75,000	...	...	...	...	...	...	30
Total	7,27,05,860	2,55,38,000	4,45,66,000	26,13,589	14,31,000	25,00,000	...	...	...	31

DELHI,

March 21, 1917.

in each of the Provinces of British India, and in England, for 1917-1918,
Results of 1915-1916 and 1916-1917— *concluded.*

	Total India.						England.			Grand Total.		
	Rupees.			Rupees converted into £ at R15=£1								
	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.	1915-1916.	1916-1917.	1917-1918.
	Rs.	Rs.	Rs.	£	£	£	£	£	£	£	£	£
1	50,21,10,222	51,63,59,000	56,05,03,000	33,474,015	34,424,000	37,366,900	5,419,662	5,583,000	10,712,900	38,893,677	40,007,000	48,079,800
2	6,39,96,605	6,47,47,000	6,59,43,000	4,266,440	4,316,500	4,396,200	3,657,230	3,649,700	3 638,200	7,923,670	7,966,200	8,034,400
3	...	...	...	...	...	...	3,357,691	3,357,700	3,357,700	3,357,691	3,357,700	3,357,700
4	...	...	...	...	...	...	208,893	323,600	230,000	208,893	323,600	230,000
5	2,65,536	2,60,000	2,57,000	17,703	17,300	17,100	81,250	81,200	81,200	98,953	98,500	98,300
6	8,81,031	8,46,000	9,26,000	58,736	56,400	61,700	2,073,126	2,170,200	2,213,900	2,131,862	2,226,600	2,275,600
7	24,40,634	29,75,000	19,10,000	162,709	198,300	127,400	...	...	...	162,709	198,300	127,400
8	2,68,313	2,16,000	3,60,000	17,887	14,400	24,000	...	...	...	17,887	14,400	24,000
9	6,78,52,119	6,90,44,000	6,93,96,000	4,523,475	4,602,900	4,626,400	9,378,190	9,582,400	9,521,000	13,901,665	14,185,300	14,147,400
10	2,06,23,801	2,05,04,000	2 08.69.000	1,374,920	1,367,000	1,391,300	...	...	...	1,374,920	1,367,000	1,391,300
11	1,98,60,762	2,04,59,000	2,09,64,000	1,324,051	1,363,900	1,397,600	127,299	128,100	128,600	1,451,350	1,492,000	1,526,200
12	1,89,478	...	...	12,632	...	...	...	...	...	12,632	...	...
13	1,32,28,564	1,29,87,000	1,37,50,000	881,904	819,100	916,600	290	500	...	882,194	819,600	916,600
14	5,39,02,605	5,32,50,000	5,55,83,000	3,593,507	3,550,000	3,705,500	127,589	128,600	128,600	3,721,096	3,678,600	3,834,100
15	18,950	35,000	23,000	1,263	2,300	1,500	...	...	...	1,263	2,300	1,500
16	8,10,04,800	6,94,32,000	8,22,96,000	5,400,320	4,628,800	5,486,400	50,144	52,000	56,900	5,450,464	4,680,800	5,543,300
17	8,10,23,750	6,94,67,000	8,23,19,000	5,401,583	4,631,100	5,487,900	50,144	52,000	56,900	5,451,727	4,683,100	5,544,800
18	24,42,81,498	27,07,12,000	28,49,97,000	16,285,433	18,047,500	18,999,800	2,407,837	3,211,100	3 000.400	18,693,270	21,258,600	22,000,200
19	1,17,29,048	1,28,46,000	1,64,80,000	781,936	856,400	1,098,700	2,417,994	2,202,000	2,117,000	3,199,930	3,058,400	3,215,700
20	72,07,696	48,66,000	46,95,000	480,513	324,400	313,000	265,000	420,200	525,500	745,513	744,600	838,500
21	1,22,41,584	2,25,87,000	1,70,81,000	816,106	1,505,800	1,138,700	34,760	27,900	20,000	850,866	1,533,700	1,158 700
22	83,941	3,50,000	1,55,000	5,596	23,300	10,300	7,918	6,200	3,700	13,514	29,500	14,000
23	27,55,43,767	31,13,61,000	32,34,08,000	18,369,584	20,757,400	21,560,500	5,133,509	5,867,400	5,666,600	23,503,093	26,624,800	27,227,100
24	98,04,32,463	1,01,94,81,000	1,09,12,09,000	65,362,164	67,965,400	72,747,200	20,109,094	21,213,400	26,086,000	85,471,258	89,178,800	98,833,200
25	50,35,659	2,46,18,000	36,04,000	335,711	1,641,200	240,300	...	...	...	335,711	1,641,200	240,300
26	*30,71,566*	*5,12,000*	*50,71,000*	*204,771*	*34,200*	*338,100*	...	...	...	*204,771*	*34,200*	*338,100*
27	98,23,96,556	1,04,35,87,000	1,08,97,42,000	65,493,104	69,572,400	72,649,400	20,109,09¾	21,213,400	26,086,000	85,602,198	90,785,800	98,735,400
28	5,88,50,550	1,46,46,000	3,44,56,000	3,923,370	976,400	2,297,100	852,742	316,700	927.100	4,776,112	1,293,100	3,224,200
29	1,16,48,160	86,57,000	88,35,000	776,544	577,100	589,000	36,409	13,200	11,000	812,953	590,300	600,000
30	48,20,739	36,66,000	37,75,000	321,383	244,400	251,700	9,891	22,300	15,000	331,274	266,700	266,700
31	7,53,19,449	2,69,69,000	4,70,66,000	5,021,297	1,797,900	3,137,800	899,042	352,200	953,100	5,920,339	2,150,100	4,090,900

Appendix III.

COMMERCIAL AND FINANCIAL STATISTICS.

Appen

COMMERCIAL AND

TABLE I.—MIS

	1908-09.	1909-1910.	1910-1911.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works and the Delhi Capital not charged against Revenue—			
Surplus	...	£ 606,641	£ 3,936,287
Deficit	£ 3,737,710	...	...
Capital Expenditure on Railways and Irrigation Works not charged against Revenue*	£ 10,471,657	£ 7,373,966	£ 10,119,093
Ditto charge involved in Redemption of Liabilities	...	...	£ 5,904,100
Initial Expenditure on new Capital at Delhi	...	...	...
Net Public Debt incurred	£ 5,633,956	£ 10,408,347	£ 8,896,956
Net Public Debt incurred, including Capital transactions with Railway Companies	£ 10,370,196	£ 10,747,575	£ 12,654,438
Value of commodities exported, excluding Gold and Silver ₹	1,53,14,30,000	1,87,96,80,000	2,09,96,20,000
Ditto imported, ditto ditto ₹	1,28,78,70,000	1,22,65,10,000	1,33,70,60,000
Excess of Exports over Imports, excluding Gold and Silver ₹	24,35,60,000	65,31,70,000	76,25,60,000
Net Imports of Gold ₹	4,35,60,000	21,67,90,000	23,97,90,000
Ditto of Silver ₹	12,06,80,000	9,44,50,000	8,63,00,000
TOTAL NET IMPORTS OF GOLD AND SILVER ₹	16,42,40,000	31,12,40,000	32,60,90,000
Excess of Exports over Imports including Gold and Silver ₹	7,93,20,000	34,19,30,000	43,64,70,000
Grand Total value of Imports and Exports of all kinds ₹	3,10,99,40,000	3,54,54,20,000	3,90,53,00,000
Secretary of State's Bills sold (Rupees) ₹	§20,96,37,188	§40,54,12,663(a)	§40,02,50,114(a)
Sterling Equivalent received £	§13,915,426	§27,096,586(a)	§26,783,303(a)
Silver coined at the Indian Mints ₹	2,85,35,914	2,17,56,166	2,19,25,112
Maximum price in pence of an oz. troy, standard Silver in London	25⅛ (Apl.)	24 13/16 (May)	26¼ (October)
Minimum ditto ditto	22 (Dec.)	23 1/16 (October)	23 1/16 (February)
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 3·964d.	1s. 4·041d.	1s. 4·061 d.
Fixed rate of Exchange for the adjustment of transactions between the Indian and Imperial Treasuries	1s. 4d.	1s. 4d.	1s. 4d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	8 (from Jan. 28 to Mar. 17).	7 (from 1 to 28 Apl. & 3 to 31 March).	8 (from 23rd Feb. 1911 to 29th Mar. 1911)
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	3 (from July 15 to Sep. 2).	3 (from 1 July to 29 Sept.).	3 (from 1st July to 21st Sept.).
Maximum rate of discount at the Bank of England	3 (Apl. 1 to May 27 & Jan. 14 to Mar. 31).	5 (October 21st to Decr. 8th).	5 (Oct. 20th to Nov. 30th).
Minimum ditto ditto	2½ (May 27 to Jan. 13).	2½ (Apl. 1st to October 6th).	3 (June 9th to Sept. 28th and Mar. 9th to Mar. 31st).
Maximum Government balances at the three Presidency Banks ₹	4,19,82,000 (July)	4,58,77,000 (July)	4,10,08,000 (Sept.)
Minimum ditto ditto ₹	3 04,47,000 (Jan.)	3,07,61,000 (Apl.)	3,53,92,000 (June)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed)	96—15 (Apl. 7)	95—5 (24 Aug.)	96—10 (2nd Aug.)
Minimum ditto ditto	93—2 (Mar. 16)	92—12 (4 to 7 Dec.).	93—6 (7th Nov.)
Maximum price in Calcutta of 3 per cent Rupee Securities	81—0 (July 18 to Mar. 31).	82—0 (31 Aug. to 11 Nov.).	82—0 (12th July to 19th Aug. and 15th Feb. to 31st Mar.).
Minimum ditto ditto	79—0 (Apl. 1 to May 3).	79—12 (27 Nov.)	80—4 (5th Dec.)
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts ₹	15,29,69,000 (Apl.)	16,06,73,000 (Oct.)	15,07,31,000 (Apl.)
Minimum ditto ditto ₹	14,43,66,000(Mar.)	14,81,15,000 (Apl.)	12,78,50,000(Mar.)
Maximum price in London of 3½ per cent (Rupee Securities in Gold)	63 13/16 (Apl.)	63 5/16 (Oct.)	64 5/16 (Feb.)
Minimum ditto ditto	61⅞ (Mar.)	61⅞ (Apl.)	62 1/16 (Oct.)
Maximum price in London of India 3½ per cent Stock	102⅛ (June)	100⅜ (May)	97⅛ (Feb.)
Minimum ditto ditto	95¼ (Mar.)	95 (March)	92⅜ (Sept.)
Maximum price in London of India 3 per cent Stock	92⅞ (Apl.)	90½ (Apl.)	84⅜ (Feb.)
Minimum ditto ditto	84½ (Mar.)	81⅝ (March)	79½ (Sept.)
Maximum price in London of India 2½ per cent Stock	78¾ (Apl.)	76 (Apl.)	70⅞ (Feb.)
Minimum ditto ditto	70 (Jan.)	69 (March)	66 (Sept.)
Maximum Government Paper Currency outstanding	48,09,87,000 (July)	54,40,84,000(Mar.)	59,16,45,000(July)
Minimum ditto ditto ₹	42,07,01,000 (Dec.)	43,64,99,000 (Apl.)	49,67,01,000 (Dec.)
Number of Post Office Savings Banks	8,501	8,767	8,929
Number of accounts in Post Office Savings Banks	1,318,632	1,378,916	1,430,451
Amount deposited in Savings Banks ₹	15,23,41,514	15,86,71,786	16,91,88,224
Average of each deposit	115·53	115·07	118·28
Net addition to deposits	5,27,171	63,30,272	1,05,16,438

*Excludes capital charge involved in redemption of liabilities.

§ Include remittances of the Gold Standard Reserve.

dix III.

FINANCIAL STATISTICS
CELLANEOUS.

1911-1912.	1912-1913.	1913-1914.	1914-1915.	1915-16.	1916-1917, Revised.	1917-1918, Budget.
£ 3,940,334	£ 3,107,634	£ 2,312,423	...	...	5,988,700	135,400
...	...	...	£ 1,785,270	£ 1,188,661	...	...
£ 8,517,915	£ 10,221,224	£ 11,765,462	£ 11,633,038	£ 5,589,065	1,883,400	3,824,200
£ ... 4,992	£ ... 114,894	£ ... 447,134	£ ... 360,361	£ ... 331,274	... 266,700	... 266,700
£ 1,823,173	£ 2,937,639	£ 118,200	£ 2,727,294	£ 2,379,834	3,692,400	9,416,700
£ 854,140	£ 2,373,391	£ 2,868,044	£ 5,721,108	£ 5,805,528	3,368,600	9,086,900
2,27,99,00,000	2,46,21,80,000	2,49,00,70,000	1,82,17,60,000	1,92,48,00,000	2,19,48,80,000(*b*)	
1,44,05,50,000	1,66,63,00,000	1,91,30,80,000	1,44,93,10,000	1,37,52,30,000	1,46,01,00,000(*b*)	
83,93,50,000	79,58,80,000	57,69,90,000	37,24,50,000	61,95,70,000	73,47,80,000(*b*)	
37,76,00,000	34,00,10,000	23,32,40,000	7,64,70,000	†—*1,10,90,000*	11,39,00,000(*b*)	
5,33,70,000	17,19,90,000	13,03,30,000	8,87,20,000	4,83,00,000	16,42,80,000(*b*)	
43,09,70,000	51,20,00,000	36,35,70,000	16,51,90,000	3,72,10,000	28,81,80,000(*b*)	
40,83,80,000	28,38,80,000	21,34,20,000	20,72,60,000	58,23,60,000	45,16,00,000(*b*)	
4,35,89,00,000	4,35,31,20,000	4,90,33,80,000	3,54,20,40,000	3,57,17,60,000	4,05,90,70,000(*b*)	
40,37,70,748(*a*)	38,49,88,178	§ 46,59,68,715	§ 11,61,88,392	§50,36,57,471(*a*)	§49,06,86,000 (*a*)	
27,058,549(*a*)	25,759,706	§31,200,827	§7,748,112	§20,3 4,517(*a*)	33,015,700 (*a*)	...
2,80,74,320	19,53,69,944	13,15,68,537	2,17,95,335	1,62,02,199	31,11,59,608	...
27⅞ (February)	29¾ (3rd December).	28 1/16 (22nd September).	27¼ (30th Apl.).	23 15/16 (31st March 1916.)	38 7/16 (13th Feby. 1917).	
23 15/16 (July)	26 1/16 (25th March)	25 13/16 (1st December).	22⅛ (13th and 14th Novr.).	22⅜ (5th Aug. 1915.)	28⅝ (10th July 1916).	
1*s.* 4·084*d.*	1*s.* 4·058*d.*	1*s.* 4·070*d.*	1*s.* 4·004*d.*	1*s.* 4·087*d.*	1*s.* 4·150*d.*	
1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	4*d.*	1*s.* 4*d.*
8 (from 26th Jan. to 6th Mar.).	8 (from 9th Jan. to 12th Feb.).	7 (1st to 16th Apl. and 13th Nov. 1913 to 18th Mar. 1914).	6(1st to 30th Apl. and 5th Nov. to 31st Dec. 1914 and 1st Jan. to 31st March 1915).	8 (20th Jan. 1916 to 31st March 1916.)	8 (1st to 13th April 1916 and 9th Nov. 1916 to 21st Feb. 1917.)	
3 (from 3rd Aug. to 31st Aug.).	3 (from 11th July to 11th Sept.).	3 (3rd July to 6th Aug.).	3(9th July to 5th Aug.).	5 (2nd June to 22nd Sept.).	5 (22nd June to 13th Sept.)	
4 (from 21st Sept. 1911 to 7th Feb. 1912).	5 (17th October 1912 to 31st March 1913).	5 (1st to 16th April and from 2nd October 1913 to 7th January 1914).	10 (from 1st to 5th Aug. 1914).	5 (1st Apl. 1915 to 31st Mar. 1916.)	6 (13th Aug. 1916 to 17th Jany. 1917.)	
3 (from 1st Apl. to 20th Sept. 1911).	3 (9th May to 28th August).	3 (29th January to 31st March 1914).	3 (from 1st Apl. to 29th July).		5 (1st April to 12th August 1916.)	
4,48,68,000 (Nov.)	5,65,10,000 (Mar.)	6,18,88,000 (Oct.)	10,12,86,000(Aug.)	8,87,07,000 (Aug.)	7,83,41,000 (July)	
3,68,74,000 (Feb.)	4,00,35,000 (Apl.)	4,85,95,000 (May)	4,84,03,000(Nov.)	4,42,76,000 (Nov.)	4,84,33,000 (May)	
96—14 (9th Dec.)	97—2 (3rd to 6th May).	96—12 (19th and 21st July).	96-1 (from 14th to 15th and 17th to 25th July 1914).	93-2 (5th to 11th June 1915.) (*d*)	82 (7th and 11th to 14th April 1916.)	
94—12 (3rd & 4th Oct.).	94—12 (3rd & 6th Jan.).	94—14 (13th & 17th Oct.).	(*d*) 91-8 (13th to 31st March).	79⅛ (23rd Dec. 1915 to 6th Jan. 1916.)	69 (22nd Feb. 1917 to 2nd March 1917.)	
82—0 (1st to 23rd Apl., 5th May to 24th Sept., 27th Sept. to 9th Oct. and 20th Nov. to 31st Mar.).	83—0 (7th May to 14th Oct.).	83—0 (2nd to 4th Sept. 1913 and from 26th Feb. to 31st March 1914).	83 (1st April to 6th Aug. 1914).	80 (1st Apl. to 28th June 1915.)	70 (6th to 20th April 1916.)	
81—0 (25th & 26th Sept.)	82 —0 (1st to 24th Apl. & 24th Oct. 1912 to 31st March 1913).	82—0 (1st Apl. to 26th Aug.).	77 (31st Aug. to 3rd Sept. 1914).	67½ (23rd Dec. 1915 to 6th Jan. 1916.)	59 (22nd Feb. 1917 to 2nd March 1917.)	
12,68,10,000 (Apl.)	11,65,48,000 (Apl.)	11,11,55,000 (Apl.)	9,95,58,000(Apl.	9,66,98,000 (Apl.)	8,76,76,000 (Apl.)	
11,73,04,000 (Mar.)	11,13,78,000 (Jan.)	10,08,74,000(Mar.)	9,73,00,000(Mar.)	8,81,17,000 (Dec.)	8,50,06,000 (Oct.)	
64⅜ (Dec.)	64¼ (May)	64⅝ (Feby.)	(*e*) 63⅞ (May)	No quotation.	No quotation.	
63½ (Oct.)	63 5/16 (Mar.)	63½ (Apl.)	(*e*) 63 (July)			
96¼ (Apl.)	94 11/16 (Apl.)	93⅜ (Jan.)	90⅜ (Apl.)	82⅜ (May).	80⅞ (Apl.)	
91 (Sept.)	89 (Mar.)	84 5/16 (Jan.)	80¾ (Mar.)	(*f*) 80¾ (Apl.)	(*g*)63½ (Dec.)	
84 5/16 (Apl.)	80¾(Apl.)	80¾ (Jan.)	77¼ (Apl.)	70½ (Apl.)	69⅝ (Apl.)	
78⅛ (Sept.)	75 (Mar.)	71⅛ (Dec.)	69¼ (Mar.)	(*f*) 69¼ (Apl.)	(*g*)54⅛ (Dec.)	
70⅝ (Apl.)	67⅓ (Apl.)	66 1/16 (Feby.)	64 (Apl.)	59⅜ (Apl.)	57½ (April.)	
65½ (Sept.)	62 5/16 (Mar.)	59¾ (Jan.)	(*c*) 58 (Jan.)	(*f*) 57 (May.)	(*g*)46¼ (Dec.)	
61,36,25,000(Mar.)	68,97,78,000(Mar.)	69,89,84,000(July)	75,44,53,000(July)	68,06,10,000(July)	86,76,13,000(Feb.)	
54,68,58,000 (Apl.)	58,33,57,000 (Apl.)	61,79,95,000(Sept.)	59,54,67,000(Feb.)	60,24,42,000 (Apl.)	65,46,90,000 (Apl.)	
9,502	9,460	9,824	10,161	10,386		
1,500,834	1,566,860	1,638,725	1,644,074	1,660,424		
18,89,85,439	20,61,14,503	23,16,75,467	14,89,26,323	15,32,12,517		
125·92	131·55	141·38	90·58	92·27		
1,97,97,215	1,71,29,064	2,55,60,964	—8,27,49,144	42,86,194		

(*a*) Include remittance of the Currency Department.
(*b*) Figures for 11 months (April to February).
(*c*) Official minimum price, 3rd January to 19th March 1915.
(*d*) Buyer's rate.
(*e*) No quotations since August 1914.
(*f*) Official minimum price fixed, 19th March 1915.
(*g*) Official minimum prices were removed in July 1916.

† Represents net exports of gold.

Appendix III—*continued.*

Commercial and Financial Statistics.

Table II.—Capital Expenditure on State Railways in 1915-1916, and Estimated Expenditure on such works in 1916-1917 and 1917-1918, and to end of 1917-1918.

Railways.	To end of 1914-1915.	Accounts, 1915-1916.	Revised Estimate, 1916-1917.	Budget Estimate, 1917-1918.	To end of 1917-1918.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
Open Lines.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Agra-Delhi Chord	1,47,46,965	9,225	51,000	44,000	1,48,51,190	...	...	
Aden Tramway	...	2,88,292	4,67,000	22,000	7,77,292	...	...	
Ahmedabad-Dholka (earthwork, etc.)	59,900	...	...	...	59,900	...	...	
Assam-Bengal (Construction)	10,16,99,819	66,31,719	24,48,000	45,48,000	11,53,27,538	...	...	
Ditto (Land)	55,64,874	24,187	20,000	...	56,09,061	...	...	
Baran-Kotah	46,47,772	...	80,000	75,000	48,02,772	...	...	
Bengal-Nagpur Railway	23,96,59,682	65,79,201	29,82,000	69,79,000	25,61,99,883	...		
Bezwada Extension	12,42,758	4,029	3,000	98,000	13,47,787	...	...	
Bhopal	40,69,706	14,686	12,000	30,000	41,26,392	...	...	
Bombay, Baroda and Central India	49,35,26,807	60,51,984	17,03,000	28,30,000	50,41,11,791	...	...	
Burma	9,74,12,324	...	...	...	9,74,12,324	...	...	
Burma Railway Extensions	2,21,11,075	*—40,037*	*15,000*	55,000	2,21,41,038	...	...	
Cawnpur-Banda	(a) 78,27,314	64,659	27,000	1,57,000	80,75,973	...	...	(a) Includes Rs. —7,250 on account of the Survey outlay on the Cawnpore Banda Railway brought on to construction account during 1914-15.
Coonoor-Ootacamund	43,00,329	2,337	5,000	3,000	43,10,666	...	...	
Dharmapuri Hosur Extension	21,41,136	*—2,896*	*—9,000*	*—8,000*	21,21,240	...	...	
Dhone-Kurnool	10,07,689	980	8,000	5,000	10,21,669	...	...	
East Indian	54,90,24,095	97,42,070	69,29,000	61,13,000	57,18,08,165	...	...	
Eastern Bengal	34,05,30,781	97,15,435	30,01,000	68,65,000	36,01,12,216	...	...	
Frontier Railway Reserve Material	43,58,658	*—1,364*	*—36,60,000*	...	6,97,294	...	...	
Carried over	1,89,39,31,684	3,90,84,507	1,40,82,000	2,78,16,000	1,97,49,14,191	...	...	

Appendix III—*continued.*

Railways.	To end of 1914-1915.	Accounts, 1915-1916.	Revised Estimate, 1916-1917.	Budget Estimate, 1917-1918.	To end of 1917-1918.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
Brought forward .	Rs. 1,89,39,31,684	Rs. 3,90,84,507	Rs. 1,40,82,000	Rs. 2,78,16,000	Rs. 1,97,49,14,191	Rs. ...	Rs. ...	
Open Lines.								
Great Indian Peninsula System . .	41,04,60,014	2,11,54,891	64,02,000	76,74,000	44,56,90,905	...	...	
Jodhpur-Hyderabad (British Section) .	44,21,306	23,946	40,000	78,000	45,63,252	...	...	
Jorhat	10,71,746	18,950	35,000	23,000	11,48,696	...	...	
Lucknow-Bareilly	51,21,139	...	...	...	51,21,139	...	...	
Madras and Southern Mahratta Railway (Madras Section)	15,14,85,845	...	...	...	15,14,85,845	...	...	
North-Western	81,51,99,333	50,91,035	42,26,000	99,82,000	83,44,98,368	...	...	
Oudh and Rohilkhand	27,61,60,666	9,40,783	2,85,000	5,71,000	27,79,57,449	...	...	
Petroleum Operations, Baluchistan . .	1,19,187	...	...	...	1,19,187	...	...	
Rohilkund and Kumaon Railway (Ganges bridge)	76,416	...	...	...	76,416	...	...	
South Indian	16,65,34,290	20,74,527	*—8,15,000*	12,28,000	16,90,21,817	...	...	
Southern Shan States	1,52,66,096	3,21,790	*—95,000*	1,32,000	1,56,24,886	...	...	
Tinnevelly Quilon (British Section) .	43,62,872	*—10,439*	19,000	1,000	43,72,433	...	...	
Ditto (Native State Section)	1,18,23,789	1,471	24,000	10,000	1,18,59,260	...	...	
Tirhoot Railway and Extensions . .	8,17,15,012	*—4,14,563*	*—7,49,000*	5,31,000	8,10,82,449	...	...	
Warora Colliery	10,79,429	*—33,238*	...	...	10,46,191	...	...	
Total Open Lines .	3,83,88,28,824	6,82,53,660	2,34,54,000	4,80,46,000	3,97,85,82,484	...	...	

Appendix III—*continued.*

Railways.	To end of 1914-1915.	Accounts, 1915-1916.	Revised Estimate, 1916-1917.	Budget Estimate, 1917-1918.	To end of 1917-1918.	Sanctioned Outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines brought forward .	3,83,88,28,824	6,82,53,660	2,34,54,000	4,80,46,000	3,97,85,82,484	...	...	
Lines under construction.								
Bombay Harbour Branch Extension . .	18,24,275	18,80,859	1,64,000	2,00,000	40,69,134	52,08,199	11,39,065	
Itarsi-Nagpur and branch to Pench Valley Coalfields	2,39,15,994	30,56,409	3,97,000	1,00,000	2,74,69,403	3,16,85,745	42,16,342	
Parvatipore Singapore Road . . .	2,08,619	13,633	15,000	15,000	2,52,252	40,31,059	37,78,807	
Nuskhi Dalbandin Extension . . .	...	...	75,50,000	11,00,000	86,50,000	...	...	
Total Lines under construction .	2,59,48,888	49,50,901	81,26,000	14,15,000	4,04,40,789			
Total Open Lines, carried over .	3,83,88,28,824	6,82,53,660	2,34,54,000	4,80,46,000	3,97,85,82,484	...	...	

Appendix III—*continued.*

Railways.	To end of 1914-1915.	Accounts, 1915-1916.	Revised Estimate, 1916-1917.	Budget Estimate, 1917-1918.	To end of 1917-1918.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines, brought forward .	3,83,88,28,824	6,82,53,660	2,34,54,000	4,80,46,000	3,97,85,82,484			
Total Lines under Construction, brought forward	2,59,48,888	49,50,901	81,26,000	14,15,000	4,04,40,789			
Lines in abeyance or Transferred to Companies, etc.								
Bellary-Kistna	1,65,78,416	...	...	...	1,65,78,416			
Bilaspur-Etawah	75,132	...	...	...	75,132			
Nagpur-Chhattisgarh (Depreciation Account).	6,57,038	...	...	...	6,57,038			
Ranaghat-Bhagwangola . . .	3,02,450	...	...	...	3,02,450			
Southern Mahratta (Depreciation on works, etc.)	5,27,071	...	...	...	5,27,071			
Umaria Colliery	1,82,672	...	...	...	1,82,672			
Vizagapatam-Raipur	2,45,035	...	...	...	2,45,035			
Total Lines in abeyance, etc. .	1,85,67,814	...	...	...	1,85,67,814			
Stores	16,00,294	*—15,46,825*	...	...	53,469			
Reserve	...	...	...	29,18,000	29,18,000			
Deduct lapse anticipated . . .	...	...	1,21,58,000	...	1,21,58,000			
Anticipated credits for stores issued in 1916-17 to Expeditionary Forces .	...	...	...	*—40,00,000*	*—40,00,000*			
GRAND TOTAL .	3,88,49,45,820	7,16,57,736	1,94,22,000	4,83,79,000	4,02,44,04,556			

Appendix III—*concluded.*

Railways.	To end of 1914-1915.	Accounts, 1915-1916.	Revised Estimate, 1916-1917.	Budget Estimate, 1917-1918.	To end of 1917-1918.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
Grand Total, brought forward .	Rs. 3,88,49,45,820	Rs. 7,16,57,736	Rs. 1,94,22,000	Rs. 4,83,79,000	Rs. 4,02,44,04,556	Rs. ...	Rs. ...	
Distributed as under—								
Capital Expenditure on Railways (not charged to Revenue)—								
State Railways —Construction* .	2,82,09,96,425	7,16,41,682	1,93,96,000	4,83,64,000	2,96,03,98,107			
Redemption of Liabilities† . .	90,75,31,543	...	...	...	90,75,31,543			
Famine Relief and Insurance—								
Protective Railways . . .	7,87,31,664	*—2,896*	*—9,000*	*—8,000*	7,87,11,768			
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	5,45,35,712	...	...	...	5,45,35,712			
Construction of Railways (charged to Provincial Revenues).	74,70,991	18,950	35,000	23,000	75,47,941			
Other Expenditure charged against Revenue.	1,56,79,485	...	...	...	1,56,79,485			
Total as above .	3,88,49,45,820	7,16,57,736	1,94,22,000	4,83,79,000	4,02,44,04,556			

* Includes Debentures raised by Companies—

Bombay, Baroda and Central India Railway	1,43,90,464	...	...	...	1,43,90,464
East Indian Railway	21,88,09,015	5,18,93,694	...	...	27,07,02,709
Great Indian Peninsula Railway . . .	4,87,97,364	...	...	...	4,87,97,364
South Indian Railway	5,71,35,901	...	...	...	5,71,35,901
Capital contributed by the Jaipur Durbar towards outlay on the Nagda Muttra Railway.	50,00,000	10,00,000	10,00,000	10,00,000	80,00,000
Bombay, Baroda and Central India Railway Contribution from Provident Fund and advances by the Home Board.	18,20,000	1,90,000	...	...	20,10,000
Total .	34,59,52,744	5,30,83,694	10,00,000	10,00,000	40,10,36,488

†

	Rs.
Bombay, Baroda and Central India Railway	18,72,06,696
East Indian Railway	18,05,98,229
Eastern Bengal Railway	3,10,54,458
Great Indian Peninsula Railway	8,88,35,250
Madras and Southern Mahratta Railway	3,21,72,000
North Western Railway	7,36,74,320
Oudh and Rohilkhand Railway	15,50,40,785
South Indian Railway	7,03,88,355
Indian Midland Railway	8,95,61,500
Total .	90,75,31,543

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1915-16, and Estimated Expenditure on such works in 1916-17, and 1917-18, and to the end of 1917-18.

	Actual outlay to end of 1914-15.	Accounts, 1915-16.	Revised Estimate, 1916-17.	Budget Estimate, 1917-18.	Total actual and estimated outlay to end of 1917-18.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
PRODUCTIVE WORKS.	£	£	£	£	£	£	£
North-West Frontier Province.							
Upper Swat River Canal	1,73,95,175	13,90,276	9,56,000	3,61,000	2,01,02,451	2,01,29,088	26,637
Lower ditto	41,89,999	430	—62,000	—30,000	40,98,429		
Kabul River Canal*	11,04,109	5,724	17,000	93,000	12,19,833		
Madras.							
Godavari Delta System	1,27,25,315	1,41,633	1,36,000	2,37,000	1,32,39,948	1,32,88,168	48,220
Kistna Delta System	1,51,38,886	71,685	41,000	1,12,000	1,53,63,571	1,54,26,072	62,501
Penner River Canals System	56,80,038	9,164	8,000	12,000	57,09,202	57,11,037	1,835
Periyar Project	1,02,51,973	29,391	14,000	4,000	1,02,99,364	1,03,04,743	5,379
Cauvery Delta System	40,17,769	60,887	74,000	67,000	42,19,656	43,00,874	81,218
Kurnool Cuddapah Canal	2,26,65,902	1,02,037	98,000	56,000	2,29,21,939	2,30,22,426	1,00,487
Nagavalli River Project	16,06,927	12,122	19,000	41,000	16,79,049	17,79,512	1,00,463
Divi Island Project	18,64,421	14,451	14,000	21,000	19,13,872	20,61,029	1,47,157
Lower Coleroon Anicut*	18,49,275	20,322	...	...	18,69,597		
Toludur Project	8,29,323	2,73,680	2,29,000	3,51,000	11,83,003	19,98,000	8,14,997
Bombay.							
Desert Canal	26,40,891	...	...	...	26,40,891	26,91,689	50,798
Begari Canal	23,71,605	538	...	36,000	24,08,143	24,62,970	54,827
Eastern Nara Works	66,64,469	1,01,795	14,000	...	67,80,264	74,89,986	7,09,722
Jamrao Canal	82,05,777	1,64,345	2,48,000	13,000	86,31,122	88,60,148	2,29,026
Dad Canal	25,47,172	14,013	37,000	—1,000	25,97,185	28,95,932	2,98,747
Mutha Canal	74,20,240	1,64,592	12,000	4,000	76,00,832	77,51,579	1,50,747
Bengal.							
Midnapur Canal	83,09,132	...	...	4,000	83,13,132		
Hijili Tidal Canal	25,50,805	...	...	...	25,50,805		
United Provinces.							
Ganges Canal, including Mat and Hathras Branches	3,52,14,662	6,61,181	7,24,000	7,45,000	3,73,44,843		
Lower Ganges Canal	3,88,25,026	3,742	4,000	32,000	3,88,64,768		
Agra Canal	1,14,03,965	53,042	—26,000	28,000	1,14,59,007	1,15,70,465	1,11,458
Eastern Jumna Canal	48,47,943	26,189	5,000	44,000	49,23,132		
Dun Canal*	13,43,292	6,459	3,000	15,000	13,67,751		
Bijnor Canal*	3,11,711	1,479	...	...	3,13,190		
Gorai Canal	3,22,754	2,89,244	1,08,000	23,000	7,42,998		
Punjab.							
Western Jumna Canal	1,68,67,720	14,627	11,000	1,00,000	1,69,93,347		
Upper Bari Doab Canal	2,07,90,607	3,39,885	2,14,000	1,61,000	2,15,05,492		
Lower ditto	1,97,74,831	8,92,133	7,21,000	7,69,000	2,21,56,964		
Sirhind Canal	2,42,81,141	63,970	1,00,000	1,05,000	2,45,50,111		
Upper Chenab Canal	3,24,30,045	11,94,458	8,23,000	5,72,000	3,50,19,503	3,61,31,583	11,12,080
Lower ditto	3,09,40,130	92,770	5,65,000	4,00,000	3,19,97,900		
Upper Jhelum Canal	3,96,86,335	18,94,961	10,02,000	9,80,000	4,35,63,296		
Lower ditto	1,55,62,967	13,673	3,000	1,00,000	1,56,79,640	1,83,95,782	27,16,142
Indus Inundation Canals	27,45,972	1,47,387	6,000	6,000	29,05,359		
Burma.							
Mandalay Canal	55,91,812	70,227	—79,000	...	55,83,039	56,83,698	1,00,659
Shwebo Canal	57,32,467	—13,405	81,000	35,000	58,35,062		
Mon Canal	53,92,680	79,797	9,000	7,000	54,88,477	55,09,843	21,366
Ye-u Canal	26,31,741	4,08,697	5,67,000	5,68,000	41,75,438	48,76,590	7,01,152
Twante Canal	57,47,041	8,83,091	7,31,000	13,000	73,74,132		
Bihar.							
Orissa Canals	2,64,43,797	7,775	12,000	25,000	2,64,88,572	2,72,84,070	7,95,498
Sone Canal	2,59,33,092	11,364	8,000	7,000	2,59,59,456	2,68,77,390	9,17,934
Central Provinces.							
Wainganga Canal	22,22,912	8,78,955	4,32,000	5,62,000	40,95,867		
Mahanadi Canal	35,72,020	17,03,741	9,64,000	19,07,000	81,46,761	96,09,475	14,62,714
Asoia Mendha Tank	15,84,033	53,178	35,000	31,000	17,03,211	17,30,346	27,135
Other Projects	1,69,26,036	39,765	9,000	77,000	1,70,51,801		
Reserve	...	...	...	3,47,000	3,47,000		
Total Productive Works	53,66,55,935	1,23,95,470	88,87,000	90,40,000	56,69,78,405		
Carried over	53,66,55,935	1,23,95,470	88,87,000	90,40,000	56,69,78,405		

* Transferred to "49" from 1st April 1907.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1915-16, and Estimated Expenditure on such works in 1916-17, and 1917-18, and to the end of 1917-18.

	Actual outlay to end of 1914-1915.	Accounts, 1915-16.	Revised Estimate, 1916-17.	Budget Estimate, 1917-18.	Total actual and estimated outlay to end of 1917-18.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
	R	R	R	R	R	R	R
Brought forward	53,66,55,935	1,23,95,470	88,87,000	90,40,000	56,69,78,405		
PROTECTIVE WORKS.							
Madras.							
Rushikulya Project	46,70,552	2,270	1,000	21,000	46,94,822		
Mopad Project	10,85,677	3,29,678	2,26,000	2,70,000	19,11,355	20,53,877	1,42,522
Venkatapuram Tank Project	3,36,773	7,383	9,000	11,000	3,64,156		
Bombay.							
Godaveri Canal	90,64,701	2,90,861	1,46,000	63,000	95,64,562		
Chankapur Tank	17,86,125	37,963	23,000	55,000	19,02,088		
Nira Canal (including Shetphal Tank)	60,94,577	2,159	...	2,000	60,98,736	64,86,344	3,87,608
Budhihal Tank	4,90,707	191	...	...	4,90,898	13,98,529	9,07,631
Pravara River Project	49,57,190	7,77,922	8,00,000	8,83,000	74,18,112	81,36,368	7,18,256
Nira Right Bank Canal	67,34,415	25,50,392	16,08,000	21,19,000	1,30,11,807	2,49,71,868	1,19,60,061
United Provinces.							
Betwa Canal (including Dukwa weir)	79,48,387	27,411	21,000	16,000	80,12,798	80,65,702	52,904
Ken Canal (including Gangao dam)	55,56,497	2,19,507	84,000	12,000	58,72,004	59,17,487	45,483
Dassan Canal	46,24,357	71,404	40,000	31,000	47,66,761	47,95,055	28,294
Ghaggar Canal	15,80,668	10,31,834	6,65,000	3,75,000	36,52,502		
Ghori Nadi Scheme	3,85,699	4,594	...	...	3,90,293		
Majhgawan Tank	2,86,028	61,156	32,000	16,000	3,95,184		
Barwar Lake and Canal	99,903	87,535	30,000	1,87,000	4,04,438		
Bihar.							
Tribeni Canal	72,33,320	47,595	84,000	2,16,000	75,80,915		
Central Provinces.							
Tandula Canal	47,40,135	11,77,571	7,16,000	10,34,000	76,67,706	95,73,587	19,05,881
Tank Projects	84,40,907	6,25,144	3,62,000	7,86,000	1,02,14,051		
Other Projects.	42,48,726	75,565	41,000	1,07,000	44,72,291		
Probable savings	...	...	...	*—2,00,000*	*—2,00,000*		
Total Protective works	8,03,65,344	74,28,135	48,88,000	60,04,000	9,86,85,479		
Grand Total, Major Works	61,70,21,279	1,98,23,605	1,37,75,000	1,50,44,000	66,56,63,884		
Distributed as under—							
(1) Capital expenditure on Irrigation (not charged to revenue)	51,85,96,170	1,21,94,292	88,55,000	90,00,000	54,86,45,462		
(2) Protective Irrigation Works	8,06,40,517	74,27,646	48,88,000	60,04,000	9,89,60,163		
(3) Other outlay from ordinary revenues	1,77,84,592	2,01,667	32,000	40,000	1,80,58,259		
GRAND TOTAL AS ABOVE	61,70,21,279	1,98,23,605	1,37,75,000	1,50,44,000	66,56,63,884		

Appendix III—*continued.*

Commercial and Financial Statistics.

Table IV.—Gross traffic receipts, working expenses, and net traffic receipts of State Railways for five years ending 1915-1916, with Revised Estimates for 1916-1917 and Budget Estimates for 1917-1918.

(Omitting 000, except in accounts.)

State Railways.	Accounts.					Revised Estimate, 1916-1917.	Budget Estimate, 1917-18.
	1911-1912.	1912-1913.	1913-1914.	1914-1915.	1915-1916.		
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	24,873	25,200	25,437	26,106	26,369	26,433	26,580
Gross Traffic Receipts.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.	Rs.
Imperial.							
Assam-Bengal	57,94,913	66,32,724	70,40,639	68,72,053	67,98,442	67,50	73,00
Aden Tramway	...	...	...	...	14,472	1,56	1,44
Bengal-Nagpur	3,43,74,985	4,03,42,071	4,10,31,142	4,07,73,773	4,47,61,637	5,05,00	4,85,00
Bezwada Extension	3,54,266	3,84,244	2,94,355	4,39,590	4,58,138	4,90	4,70
Bombay, Baroda and Central India System	6,01,33,008	6,40,21,332	6,58,93,295	6,37,28,843	6,75,24,858	7,30,00	7,00,00
Burma	1,96,08,933	2,07,76,957	2,23,60,428	2,18,00,784	2,00,98,744	2,22,00	2,16,00
Burma Railway Extensions	14,68,975	17,32,205	21,84,418	16,42,874	17,57,133	21,50	21,00
Southern Shan States	...	16,887	33,020	87,016	3,39,165	3,50	3,00
Eastern Bengal	3,19,58,673	3,51,18,860	3,73,92,387	3,31,07,555	3,53,38,268	3,70,00	3,80,00
East Indian	9,24,96,744	10,25,72,586	10,17,07,428	10,52,21,592	10,60,08,844	11,05,00	10,65,00
Great Indian Peninsula including Indian Midland	7,46,52,396	7,94,91,613	8,55,08,945	7,77,52,916	9,01,17,305	9,60,00	9,70,00
Agra-Delhi Chord	20,67,879	28,98,758	23,09,274	32,06,644	28,84,018	31,00	31,00
Bhopal	5,58,428	9,21,470	7,05,991	5,38,468	6,58,689	7,50	7,00
Baran-Kotah	1,58,809	2,28,678	1,77,507	1,49,969	2,21,240	2,50	3,00
Cawnpore-Banda	...	...	...	...	4,05,258	4,20	4,00
Jodhpur-Hyderabad (British Section)	12,63,365	13,81,799	13,36,295	10,52,695	11,39,522	13,00	12,35
Lucknow-Bareilly	20,14,664	21,63,009	23,56,789	20,52,756	18,76,076	24,00	21,00
North Western	8,23,59,967	8,82,12,116	8,69,96,146	8,19,57,786	8,39,36,357	9,52,00	8,75,00
Oudh and Rohilkhand	2,13,76,309	2,43,64,792	2,40,89,233	2,07,97,699	2,26,21,042	2,61,00	2,40,00
Hardwar-Dehra	4,54,183	4,45,053	4,85,346	4,66,506	...	...	...
Madras and Southern Maharatta Railway	3,40,03,129	3,63,50,208	3,81,21,165	3,82,75,086	4,20,29,319	4,62,00	4,53,60
Mysore State lines	31,36,594	36,75,718	38,25,763	36,55,498	37,66,070	41,00	40,00
Dhone-Kurnool	1,16,729	1,19,518	1,23,739	1,12,693	1,31,028	1,40	1,40
South Indian	2,53,82,260	2,75,45,053	2,80,67,080	2,71,60,221	2,93,14,815	3,19,00	3,02,00
Tinnevelly-Quilon	7,79,707	8,25,023	9,03,391	8,92,082	9,85,938	11,00	12,00
Tirhoot	90,52,105	99,47,877	1,01,20,998	97,03,502	92,58,479	98,00	98,00
Reserve	...	...	...	...	...	...	2,54,00
Total Imperial	50,35,67,021	55,01,68,551	56,30,64,774	54,14,43,601	57,24,44,857	62,18,56	62,73,49
Provincial.							
Jorhat	1,16,465	1,22,589	1,23,805	1,27,545	1,53,781	1,44	1,51
Total India	50,36,83,486	55,02,91,140	56,31,88,579	54,15,71,146	57,25,98,638	62,20,00	62,75,00
England.							
Bengal-Nagpur	...	...	...	2,910	3,540	3	3
East Indian	3,450	4,313	3,450	3,450	25,080	9,98	51
Eastern Bengal	...	...	...	...	1,605	75	3
Oudh and Rohilkhand	...	...	...	...	750	34	2
Scinde Punjab and Delhi	...	...	...	...	13,275	6,12	30
Total England	3,450	4,313	3,450	6,360	44,250	17,22	89
Grand Total	50,36,86,936	55,02,95,453	56,31,92,029	54,15,77,506	57,26,42,888	62,37,22	62,75,89

Appendix III—*continued.*

State Railways.	Accounts.					Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
	1911-1912.	1912-1913.	1913-1914.	1914-1915.	1915 1916.		
Working Expenses.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial.							
Assam-Bengal . .	45,37,442	46,68,680	47,66,650	51,49,556	52,58,747	52,50	53,59
Aden Tramway . . .	...	...	...	...	20,093	1,05	1,05
Bengal-Nagpur . . .	1,69,10,696	1,84,71,946	1,95,72,889	2,01,71,296	2,21,93,629	2,40,00	2,34,24
Bezwada Extension . . .	2,13,450	1,99,979	1,75,732	2,45,505	2,58,429	2,82	2,62
Bombay, Baroda and Central India System . . .	2,99,73,315	3,24,32,956	3,28,58,674	3,28,96,800	3,29,79,155	3,17,50	3,29,39
Burma Railways . . .	1,22,08,310	1,22,12,069	1,17,88,982	1,23,78,879	1,15,45,605	1,15,00	1,14,26
Burma Railway Extensions .	8,80,870	10,16,196	11,67,591	11,31,626	10,95,206	12,00	12,00
Southern Shan States . .	...	5,325	39,066	81,017	3,17,751	3,00	3,00
Eastern Bengal . . .	1,85,33,643	2,12,06,460	2,05,40,085	2,20,08,629	2,12,05,545	2,01,50	2,13,67
East Indian	3,78,56,380	3,85,64,371	4,14,09,197	4,07,21,501	4,13,84,866	4,07,00	4,10,50
Great Indian Peninsula including Indian Midland . . .	4,02,02,371	4,52,56,737	5,16,28,941	4,89,41,949	5,10,75,174	5,20,00	5,33,40
Agra-Delhi Chord . .	12,04,585	15,69,585	13,88,240	20,04,897	16,44,874	17,00	17,30
Bhopal	3,08,269	5,06,334	4,27,021	3,36,705	3,73,387	4,00	4,00
Baran-Kotah . . .	79,405	1,12,156	88,754	74,301	1,10,620	1,20	1,20
Cawnpore-Banda . .	...	...	...	...	2,45,122	2,56	2,75
Jodhpur-Hyderabad (British Section) . . .	5,62,635	6,46,339	6,69,177	6,19,736	6,73,618	7,00	7,11
Lucknow-Bareilly . . .	9,44,794	9,54,123	10,23,699	10,23,291	9,75,409	10,00	9,34
North Western . . .	4,68,85,376	4,99,31,758	4,95,69,567	5,14,15,494	4,93,13,607	4,92,00	5,21,91
Oudh and Rohilkhand . . .	98,21,809	1,10,46,805	1,17,53,245	1,17,36,780	1,11,94,413	1,16,00	1,25,01
Hardwar-Dehra . . .	2,27,091	2,22,526	2,42,673	2,33,253	...	...	...
Madras and Southern Mahratta Railway	1,90,03,314	1,99,49,016	2,15,21,802	2,15,04,612	2,23,26,647	2,40,60	2,54,20
Mysore State lines . .	18,01,729	20,26,874	21,70,848	21,06,654	20,28,447	22,12	22,50
Dhone Kurnool . .	92,010	74,690	78,868	71,918	77,593	80	80
South Indian	1,28,95,102	1,47,42,026	1,62,63,531	1,57,56,344	1,46,02,933	1,58,00	1,49,00
Tinnevelly-Quilon . .	4,31,969	4,55,240	5,47,590	6,26,330	5,84,868	6,00	7,80
Tirhoot	32,87,052	38,74,566	38,08,861	39,22,982	37,07,574	40,35	38,15
Reserve	...	...	...	...	...	...	65,00
Total Imperial .	25,88,61,617	28,01,46,757	29,35,01,683	29,51,60,055	29,51,98,312	29,90,00	31,33,79
Provincial.							
Jorhat	84,107	84,546	89,499	1,27,109	1,01,834	1,00	1,21
Grand Total .	25,89,45,724	28,02,31,303	29,35,91,182	29,52,87,164	29,53,00,146	29,91,00	31,35,00

Appendix III—*continued.*

State Railways.	Accounts.					Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
	1911-1912.	1912-1913.	1913-1914.	1914-1915.	1915-1916.		
Net Traffic Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial.							
Assam-Bengal	12,57,471	19,64,044	22,73,989	17,22,497	15,39,695	15,00	19,41
Aden Tramway	...	...	...	...	—5,621	51	39
Bengal-Nagpur	1,74,64,289	2,18,70,125	2,14,58,253	2,06,02,477	2,25,68,008	2,65,00	2,50,76
Bezwada Extension	1,40,816	1,84,265	1,18,623	1,94,085	1,99,709	2,08	2,08
Bombay, Baroda and Central India System	3,01,59,693	3,15,88,376	3,30,34,621	3,08,27,043	3,45,45,703	4,12,50	3,70,61
Burma Railways	74,00,623	85,64,888	1,05,71,446	94,21,905	85,53,140	1,07,00	1,01,74
Burma Railway Extensions	5,88,105	7,16,009	10,16,827	5,11,248	6,61,926	9,50	9,00
Southern Shan States	...	11,562	—6,046	5,999	21,414	50	...
Eastern Bengal	1,34,25,030	1,39,12,400	1,68,52,302	1,10,98,926	1,41,32,723	1,68,50	1,66,33
East Indian	5,46,40,364	6,40,08,215	6,02,98,231	6,45,00,091	6,46,23,978	6,98,00	6,54,50
Great Indian Peninsula including Indian Midland	3,44,50,025	3,42,34,876	3,38,80,004	2,88,10,967	3,90,42,131	4,40,00	4,36,60
Agra-Delhi Chord	8,63,294	13,29,173	9,21,034	12,01,747	12,39,144	14,00	13,70
Bhopal	2,50,159	4,15,136	2,78,970	2,01,763	2,80,302	3,50	3,00
Baran-Kotah	79,404	1,16,522	88,753	75,668	1,10,620	1,30	1,80
Cawnpore-Banda	...	...	...	...	1,60,136	1,64	1,25
Jodhpur-Hyderabad (British Section)	7,00,730	7,35,460	6,67,118	4,32,959	4,65,904	6,00	5,24
Lucknow-Bareilly	10,69,870	12,08,886	13,33,090	10,29,465	9,00,667	14,00	11,66
North Western	3,54,74,591	3,82,80,358	3,74,26,579	3,05,42,292	3,46,22,750	4,60,00	3,53,09
Oudh and Rohilkhand	1,15,54,500	1,33,17,987	1,23,35,988	90,60,919	1,14,26,629	1,45,00	1,14,99
Hardwar-Dehra	2,27,092	2,22,527	2,42,673	2,33,253	...	...	...
Madras and Southern Mahratta Railway	1,49,99,815	1,64,01,192	1,65,99,363	1,67,70,474	1,97,02,672	2,21,40	1,99,40
Mysore State lines	13,34,865	16,48,844	16,54,915	15,48,844	17,37,623	18,88	17,50
Dhone-Kurnool	24,719	44,828	44,871	40,775	53,435	60	60
South Indian	1,24,87,158	1,28,03,027	1,18,03,549	1,14,03,877	1,47,11,882	1,61,00	1,53,00
Tinnevelly-Quilon	3,47,738	3,69,783	3,55,801	2,65,752	4,01,070	5,00	4,20
Tirhoot	57,65,053	60,73,311	63,12 187	57,80,520	55,50,905	57,65	59,85
Reserve	...	...	...	...	...	...	1,89,00
Total Imperial	24,47,05,404	27,00,21,794	26,95,63,091	24,62,83,546	27,72,46,545	32,28,56	31,39,70
Provincial.							
Jorhat	32,358	38,043	34,306	436	51,947	44	30
Total India	24,47,37,762	27,00,59,837	26,95,97,397	24,62,83,982	27,72,98,492	32,29,00	31,40,00
England.							
Bengal-Nagpur	...	...	...	2,910	3,540	3	3
East Indian	3,450	4,313	3,450	3,450	25,080	9,98	51
Eastern Bengal	...	...	...	...	1,605	75	3
Oudh and Rohilkhand	...	...	...	...	750	24	2
Scinde Punjab and Delhi	...	...	...	...	13,275	6,12	30
Total England	3,450	4,313	3,450	6,360	44,250	17,22	89
Grand Total	24,47,41,212	27,00,64,150	26,96,00,847	24,62,90,342	27,73,42,742	32,46,22	31,40,89

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1915-16, with Revised Estimates for 1916-17, and Budget Estimates for 1917-18.

	Actuals.					Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Direct Receipts—							
Lower Swat River canal	5,50,387	6,17,160	6,20,190	6,15,443	6,07,823	5,90,000	6,00,000
Kabul River canal	1,45,008	1,75,901	1,86,660	1,82,373	1,64,918	1,97,000	1,80,000
Godavari Delta system	1,25,557	1,35,736	1,24,184	1,70,251	1,39,319	1,46,000	1,42,000
Kistna „ „	82,943	92,605	97,152	86,329	1,03,293	1,06,000	1,06,000
Cauvery „ „	4,576	6,441	4,589	4,471	4,913	5,000	5,000
Penner River canals	3,028	3,326	4,734	3,367	4,337	5,000	4,000
Periyar project	8,785	12,234	5,604	7,597	14,541	15,000	15,000
Rushikulya project	1,473	1,456	1,586	3,870	2,993	4,000	3,000
Lower Coleroon anicut system	1,281	2,021	2,435	2,819	2,382	3,000	2,000
Shatiatope anicut „	701	574	901	660	855	1,000	1,000
Desert canal	85,707	96,142	86,359	77,146	93,735	1,04,000	94,000
Begari „	10,826	10,723	36,288	39,646	36,134	40,000	40,000
Eastern Nara works	26,486	20,608	18,719	18,708	14,904	16,000	14,000
Jamrao canal	29,310	28,919	57,856	22,614	37,416	32,000	28,000
Mutha canals	4,33,565	3,59,687	3,91,756	3,89,704	3,67,075	3,60,000	3,60,000
Nira canal	4,36,893	5,04,980	5,42,333	5,88,392	5,54,722	4,64,000	5,08,000
Midnapore canal	2,15,470	2,20,782	2,10,152	2,23,591	2,29,092	2,33,000	2,24,000
Hijili Tidal canal	62,657	53,136	36,427	30,371	48,987	57,000	44,000
Ganges canal (including Hathras Branch)	34,48,523	35,55,282	38,86,390	40,16,206	40,08,030	42,22,000	39,50,000
Lower Ganges canal	27,91,733	23,39,516	29,48,277	34,39,197	31,04,648	26,59,000	27,50,000
Agra canal	6,60,252	7,38,129	8,48,157	8,38,004	8,39,299	10,78,000	8,00,000
Eastern Jumna canal	12,30,994	11,93,475	14,87,717	15,25,253	14,14,917	14,91,000	13,45,000
† Dun canal	1,00,842	96,716	1,17,472	1,25,770	1,05,491	1,17,000	1,06,000
† Bijnor canal	27,888	34,147	37,073	43,294	42,006	50,000	37,000
Betwa canal	2,28,513	1,53,476	2,44,791	1,20,145	3,08,820	2,85,000	2,16,000
Western Jumna canal	23,50,104	27,36,295	33,15,029	30,18,745	27,77,563	29,20,000	30,00,000
Upper Bari Doab canal	38,33,926	43,46,274	43,06,606	39,47,124	41,03,892	44,00,000	42,00,000
Sirhind canal	30,60,221	46,01,159	40,52,176	38,95,706	31,38,533	41,00,000	38,00,000
Lower Chenab canal	86,28,091	92,75,472	84,24,935	84,96,689	84,48,507	85,50,000	87,00,000
Lower Jhelum canal	22,77,355	26,83,017	27,59,425	28,03,381	26,50,220	28,00,000	27,00,000
Indus Inundation canals	2,76,057	2,28,192	2,37,866	1,77,191	1,87,116	2,10,000	2,00,000
Mandalay canal	2,94,909	3,13,630	3,14,862	3,08,443	2,99,621	3,12,000	3,13,000
Shwebo canal	6,20,521	6,19,968	6,73,000	6,26,524	6,72,705	6,73,000	6,89,000
Twante Canal	...	...	...	...	...	60,000	4,40,000
Orissa canals	5,37,234	5,36,437	5,20,053	5,49,374	5,70,240	5,70,000*	5,78,000
Sone canal	16,95,488	17,18,503	19,61,859	17,32,222	20,10,113	18,79,000*	17,89,000
Other projects	14,35,679	16,00,030	29,25,872	32,46,733	39,60,692	49,50,000	65,15,000
Total	3,57,22,988	3,91,12,179	4,14,89,485	4,13,77,353	4,10,69,852	4,37,04,000*	4,44,93,000*
Portion of Land Revenue due to Irrigation—							
Lower Swat River canal	50,601	50,596	50,652	50,683	50,787	51,000	51,000
† Kabul River canal	14,859	10,803	11,875	10,837	10,565	11,000	11,000
Godavari Delta System	38,02,481	38,98,412	37,64,330	36,61,044	39,03,086	38,04,000	39,04,000
Kistna „ „	33,31,473	33,84,857	34,90,756	33,63,382	33,55,896	30,02,000	32,92,000
Cauvery „ „	9,97,224	10,13,223	9,74,332	9,28,835	9,52,155	9,53,000	9,53,000
Penner River canals	5,38,177	5,85,754	5,38,303	5,46,350	5,66,512	5,82,000	5,82,000
Periyar project	5,49,381	5,65,553	5,68,296	5,62,302	5,79,521	5,76,000	5,77,000
Carried over	92,84,206	95,09,208	93,98,544	91,23,433	94,18,522	89,79,000	93,70,000

* Excluding Civil Officers' figures as under :—

	Revised. R	Budget. R
United Provinces	98,000	82,000
Punjab	6,000	3,000
Total	1,04,000	85,000

† Transferred to 49, from 1st April 1907.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works for five years ending 1915-16, with Revised Estimates for 1916-17, and Budget Estimates for 1917-18—*continued.*

	Actuals.					Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
PORTION OF LAND REVENUE DUE TO IRRIGATION—*contd.*							
Brought forward	92,84,206	95,09,208	93,98,544	91,23,433	94,18,522	89,79,000	93,70,000
Rushikulya Project	1,45,868	1,63,915	1,89,488	1,83,155	1,86,348	1,80,000	1,83,000
† Lower Coleroon anicut system	2,79,648	2,84,214	2,71,658	2,81,723	2,85,977	2,86,000	2,86,000
† Shatiatope anicut „	1,03,736	1,02,813	87,694	1,00,816	1,05,174	1,05,000	1,05,000
Desert canal	2,09,297	2,39,402	2,26,053	2,82,096	2,83,277	2,74,000	2,89,000
Begari „	1,53,850	1,86,310	4,78,371	5,21,982	5,23,830	5,38,000	5,42,000
Eastern Nara Works	6,13,899	6,19,328	5,82,075	6,13,984	6,35,477	6,20,000	6,29,000
Jamrao canal	6,68,637	7,76,269	7,39,999	6,14,236	9,51,780	7,85,000	7,78,000
Mutha canal	*—14,020*	*—9,168*	*—11,646*	*—10,293*	*—9,503*	*—9,000*	*—9,000*
Nira canal	*—21,638*	*—25,021*	*—26,702*	*—28,662*	*—27,245*	*—27,000*	*—27,000*
Ganges canal	9,43,958	9,52,179	9,62,748	9,85,219	10,07,894	10,08,000	10,08,000
Lower Ganges canal	4,58,555	4,73,573	4,95,868	5,43,619	6,50,478	6,50,000	6,50,000
Eastern Jumna Canal	2,53,952	2,53,952	2,53,952	2,53,952	2,53,952	2,54,000	2,54,000
† Dun canal	24,980	24,980	24,980	24,980	24,980	25,000	25,000
† Bijnor canal	14,984	14,984	14,984	14,984	14,984	15,000	15,000
Western Jumna canal	2,23,412	2,22,604	2,21,397	2,09,125	2,30,990	2,25,000	2,25,000
Upper Bari Doab canal	3,26,150	3,38,432	5,91,597	4,52,948	6,16,293	5,25,000	6,00,000
Sirhind Canal	...	9,722	35,437	18,354	89,551	1,15,000	60,000
Lower Chenab canal	41,42,468	53,98,437	70,56,188	70,90,846	74,74,480	73,00,000	84,00,000
Lower Jhelum canal	4,87,614	15,37,592	15,47,514	15,62,192	14,72,343	18,00,000	19,00,000
Indus Inundation canals	2,78,279	2,68,036	2,67,940	2,49,221	2,50,227	2,60,000	2,55,000
Mandalay canal	51,713	53,341	52,604	52,444	50,120	52,000	52,000
Shwebo canal	86,540	1,17,105	1,26,718	1,19,961	1,29,590	1,35,000	1,40,000
Other projects	15,55,889	15,61,460	16,78,153	17,57,647	19,86,286	20,39,000	21,43,000
TOTAL	2,02,71,977	2,30,73,667	2,52,65,614	2,50,17,962	2,66,05,805	2,61,34,000	2,78,73,000
TOTAL REVENUE—							
Lower Swat River canal	6,00,988	6,67,756	6,70,842	6,66,126	6,58,610	6,41,000	6,51,000
† Kabul river canal	1,59,877	1,86,704	1,98,535	1,93,210	1,75,483	2,08,000	1,91,000
Godavari Delta System	39,28,038	40,34,148	38,88,514	38,31,295	40,42,405	39,50,000	40,46,000
Kistna „ „	34,14,421	34,77,472	35,37,908	34,49,711	34,59,189	31,08,000	33,98,000
Cauvery Delta System	10,01,800	10,19,664	9,78,921	9,33,306	9,57,068	9,58,000	9,58,000
Penner River canals	5,41,205	5,89,080	5,43,037	5,49,717	5,70,849	5,87,000	5,86,000
Periyar Project	5,58,166	5,77,787	5,73,900	5,69,899	5,94,062	5,91,000	5,92,000
Rushikulya Project	1,47,341	1,65,371	1,91,074	1,87,025	1,89,341	1,84,000	1,86,000
† Lower Coleroon anicut system	2,80,929	2,86,235	2,74,093	2,84,542	2,88,359	2,89,000	2,88,000
† Shatiatope anicut system	1,04,437	1,03,387	88,595	1,01,476	1,06,029	1,06,000	1,06,000
Desert canal	2,95,004	3,35,544	3,12,412	3,59,242	3,77,012	3,78,000	3,83,000
Begari „	1,64,676	1,97,033	5,14,659	5,61,628	5,59,964	5,78,000	5,82,000
Eastern Nara works	6,40,385	6,39,936	6,00,794	6,32,692	6,50,381	6,36,000	6,43,000
Jamrao canal	6,97,947	8,05,188	7,97,855	6,36,850	9,89,196	8,17,000	8,06,000
Mutha canal	4,19,545	3,50,519	3,80,110	3,79,411	3,57,572	3,51,000	3,51,000
Nira canal	4,15,255	4,79,959	5,15,631	5,59,730	5,27,477	4,37,000	4,81,000
Midnapur canal	2,15,470	2,20,782	2,10,152	2,23,591	2,29,092	2,33,000	2,24,000
Hijili Tidal canal	62,657	53,136	36,427	30,371	48,987	57,000	44,000
Ganges canal (including Hathras Branch)	43,92,481	45,07,461	48,49,138	50,01,425	50,15,924	52,30,000	49,58,000
Lower Ganges canal	32,50,288	28,13,089	34,44,145	39,82,816	37,55,126	33,09,000	34,00,000
Agra canal	6,60,252	7,38,129	8,48,157	8,38,004	8,39,299	10,78,000	8,00,000
Eastern Jumna canal	14,84,946	14,47,427	17,41,669	17,79,205	16,68,869	17,45,000	15,99,000
† Dun canal	1,25,822	1,21,696	1,42,452	1,50,750	1,30,471	1,42,000	1,31,000
Carried over	2,35,61,930	2,38,17,503	2,53,89,020	2,59,02,022	2,61,90,765	2,56,13,000	2,54,04,000

† Transferred to 49, from 1st April 1907.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1915-16, with Revised Estimates for 1916-17, and Budget Estimates for 1917-18—*continued.*

	Actuals.					Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TOTAL REVENUE—*concld.*							
Brought forward	2,35,61,930	2,38,17,503	2,53,89,020	2,59,02,022	2,61,90,765	2,56,13,000	2,54,04,000
†Bijnor canal	42,872	49,131	52,057	58,278	56,990	65,000	52,000
Betwa canal	2,28,513	1,53,476	2,44,791	1,20,145	3,08,820	2,85,000	2,16,000
Western Jumna canal	25,73,516	29,58,899	35,36,426	32,27,870	30,08,553	31,15,000	32,25,000
Upper Bari Doab canal	41,60,076	46,84,706	48,98,203	44,00,072	47,20,185	49,25,000	48,00,000
Sirhind canal	30,60,221	46,10,881	40,87,613	39,14,060	32,28,084	42,15,000	38,60,000
Lower Chenab canal	1,27,70,559	1,46,73,909	1,51,81,123	1,55,87,535	1,59,22,987	1,58,50,000	1,71,00,000
Lower Jhelum canal	27,64,969	42,20,609	43,06,939	43,65,573	41,22,563	46,00,000	46,00,000
Indus Inundation canals	5,54,336	4,96,228	5,05,806	4,26,412	4,37,343	4,70,000	4,55,000
Mandalay canal	3,46,622	3,66,971	3,67,466	3,60,887	3,49,741	3,64,000	3,65,000
Shwebo canal	7,07,061	7,37,073	7,99,718	7,46,485	8,02,295	8,08,000	8,29,000
Twante canal	...	...	...	...	...	60,000	4,40,000
Orissa canals	5,37,234	5,36,467	5,20,053	5,49,374	5,70,210	5,70,000	5,78,000
Sone canals	16,95,488	17,18,503	19,61,859	17,32,222	20,10,113	18,79,000	17,89,000
Other Projects	29,91,568	31,61,490	46,04,025	50,04,380	59,46,978	69,89,000	80,56,000
TOTAL	5,59,94,965	6,21,85,846	6,67,55,099	6,63,95,315	6,76,75,657	6,98,38,000	7,23,71,000
WORKING EXPENSES—							
Lower Swat River canal	1,70,436	1,61,162	1,57,093	1,42,420	2,00,376	1,50,000	1,86,000
†Kabul River canal	1,07,147	96,918	1,04,830	85,982	1,50,307	1,60,000	1,04,000
Godavari Delta system	7,73,247	7,13,415	8,11,801	7,99,842	7,13,803	6,52,000	7,77,000
Kistna „ „	6,28,138	6,01,835	7,08,696	8,06,121	6,92,492	5,27,000	6,34,000
Cauvery „ „	1,20,350	1,24,157	1,36,941	1,76,385	1,55,005	1,18,000	1,25,000
Penner River canals	52,498	66,142	76,261	64,794	68,411	75,000	69,000
Periyar Project	1,30,707	1,33,174	1,60,813	1,14,584	1,27,194	1,17,000	1,15,000
Rushikulaya Project	44,334	34,309	65,471	58,261	67,877	70,000	58,000
†Lower Coleroon anicut system	88,904	56,476	59,062	1,41,209	58,257	58,000	71,000
†Shatiatope anicut system	30,594	20,541	32,915	52,811	26,318	30,000	30,000
Desert canal	1,39,730	1,42,071	1,34,374	1,15,901	90,685	1,12,000	1,32,000
Begari canal	1,30,759	2,90,714	2,62,116	1,32,987	1,38,051	1,44,000	1,41,000
Eastern Nara Works	2,49,693	1,79,047	1,82,979	1,61,408	2,02,840	1,70,000	1,85,000
Jamrao canal	2,94,425	3,08,263	3,11,845	3,05,604	3,22,584	3,12,000	2,45,000
Mutha canals	96,886	1,08,291	1,08,799	1,13,809	1,39,694	1,27,000	1,30,000
Nira canal	77,769	91,881	87,068	1,29,992	1,22,590	1,64,000	1,47,000
Midnapore canal	2,43,964	2,06,943	1,78,785	1,32,836	1,37,172	1,40,000	1,39,000
Hijili Tidal canal	33,122	28,774	1,19,004	1,24,864	58,850	2[illegible],000	31,000
Ganges canal	12,22,142	11,10,327	11,91,519	12,14,984	11,92,670	11,7[illegible],000	11,11,000
Lower Ganges canal	10,39,189	10,14,594	10,17,056	10,32,134	10,23,669	10,23,000	9,73,000
Agra canal	3,36,986	3,24,778	3,16,625	3,14,546	3,05,337	2,84,000	3,01,000
Eastern Jumna canal	4,05,534	3,62,687	3,59,446	3,71,395	3,64,262	3,54,000	3,34,000
†Dun canal	80,845	56,500	49,628	56,821	59,501	74,000	51,000
†Bijnor canal	26,698	28,065	25,788	27,185	24,751	31,000	23,000
Betwa canal	1,56,583	1,83,789	2,33,008	2,17,039	2,31,528	1,94,000	2,23,000
Western Jumna canal	11,49,041	10,87,704	12,94,029	13,07,508	13,26,245	13,05,000	13,90,000
Upper Bari Doab canal	16,32,065	17,11,363	14,46,519	13,72,589	12,84,060	13,8[illegible],000	13,05,000
Sirhind canal	9,29,748	9,92,932	11,39,195	11,21,809	11,58,009	13,37,000	13,15,000
Lower Chenab canal	23,70,127	24,24,855	21,96,088	21,94,802	31,20,602	26,25,000	23,04,000
Lower Jhelum canal	9,94,308	9,51,611	9,19,689	8,23,556	7,53,848	9,00,000	9,05,000
Carried over	1,37,55,909	11,36,13,818	1,38,88,076	1,37,14,778	1,42,98,148	1,38,40,000	1,36,22,000

† Transferred to 49. from 1st April 1907.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1915-16, with Revised Estimates for 1916-17, and Budget Estimates for 1917-18—*continued.*

	Actuals.					Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Brought forward	1,37,55,909	1,36,13,818	1,38,88,076	1,37,14,778	1,42,98,148	1,38,40,000	1,36,22,000
Working Expenses—*concld.*							
Indus Inundation canals	4,04,818	3,92,807	3,64,270	3,98,155	4,25,491	3,80,000	3,63,000
Mandalay canal	81,603	89,540	61,411	4,49,555	1,38,004	1,47,000	99,000
Shwebo canal	2,10,659	2,31,703	2,70,051	2,77,472	2,57,047	2,12,000	2,74,000
Twante canal	...	...	...	...	...	25,000	2,28,000
Orissa canal	4,06,871	4,45,382	5,05,785	5,65,147	4,75,648	4,64,000	4,44,000
Sone canal	6,58,557	7,55,611	7,28,937	6,80,929	7,48,349	7,18,000	8,20,000
Other projects	16,58,126	19,97,745	23,98,115	32,54,861	42,81,114	47,06,000	50,07,000
Total	1,71,76,543	1,75,26,606	1,82,16,645	1,93,40,897	2,06,23,801	2,04,92,000*	2,08,57,000*
Net Revenue—							
Lower Swat River canal	4,30,552	5,06,594	5,13,749	5,23,706	4,58,234	4,91,000	4,65,000
Kabul River canal	52,730	89,786	93,705	1,07,228	25,116	58,000	87,000
Godavari Delta system	31,54,791	33,20,733	30,76,713	30,31,453	33,28,602	32,98,000	32,69,000
Kistna „ „	27,86,283	28,75,637	28,79,212	26,43,590	27,66,697	25,81,000	27,64,000
Cauvery „ „	8,81,450	8,95,507	8,41,980	7,56,921	8,22,063	8,40,000	8,33,000
Penner River canals system	4,88,707	5,22,938	4,66,776	4,84,923	5,02,438	5,12,000	5,17,000
Periyar Project	4,27,459	4,44,613	4,13,087	4,55,315	4,66,868	4,74,000	4,77,000
Rushikulya Project	1,03,007	1,31,062	1,25,603	1,28,764	1,21,464	1,14,000	1,28,000
Lower Coleroon anicut system	1,92,025	2,29,759	2,15,031	1,43,333	2,30,102	2,31,000	2,14,000
Shatiatope anicut „	73,343	82,846	55,680	48,655	79,711	76,000	76,000
Desert canal	1,55,274	1,93,473	1,78,038	2,43,341	2,86,327	2,66,000	2,51,000
Begari „	33,917	—*93,681*	2,52,543	4,28,641	4,21,913	4,34,000	4,41,000
Eastern Nara Works	3,90,692	4,60,889	4,17,815	4,71,284	4,47,541	4,66,000	4,58,000
Jamrao canal	4,03,522	4,96,925	4,86,007	3,31,246	6,66,612	5,05,000	5,61,000
Mutha canals	3,22,659	2,42,228	2,71,311	2,65,602	2,17,878	2,24,000	2,16,000
Nira canal	3,37,486	3,88,078	4,27,963	4,29,738	4,04,887	2,73,000	3,34,000
Midnapur canal	—*28,494*	13,839	31,357	90,755	91,920	87,000	85,000
Hijili Tidal canal	29,535	24,362	—*82,577*	—*94,493*	—*9,863*	29,000	13,000
Ganges canal (including Hathras Branch.)	31,70,339	33,96,634	36,57,619	37,86,441	38,23,254	40,55,000	38,47,000
Lower Ganges canal	22,11,099	17,98,495	24,27,089	29,50,682	27,31,457	22,86,000	24,27,000
Agra canal	3,23,266	4,13,351	5,31,532	5,23,458	5,33,962	7,94,000	4,99,000
Eastern Jumna canal	10,79,412	10,84,740	13,82,223	14,07,810	13,04,607	13,91,000	12,65,000
Dun canal	44,977	65,196	92,824	93,929	70,970	68,000	80,000
Bijnor canal	16,174	21,066	26,269	31,083	32,239	34,000	29,000
Betwa canal	71,930	—*30,313*	11,783	—97,494	77,292	91,000	—7,000
Western Jumna canal	14,24,475	18,71,195	22,42,397	19,20,362	16,82,308	18,40,000	18,35,000
Upper Bari Doab canal	25,28,071	29,73,343	34,51,654	30,27,483	34,35,625	35,37,000	34,95,000
Sirhind canal	21,30,473	36,17,949	29,48,418	27,92,251	20,69,475	28,78,000	25,45,000
Lower Chenab canal	1,04,00,432	1,22,49,054	1,32,85,035	1,33,92,733	1,28,02,385	1,32,25,000	1,47,36,000
Lower Jhelum canal	17,70,661	32,68,998	33,87,250	35,42,017	33,68,715	37,00,000	36,95,000
Indus Inundation canals	1,49,518	1,03,421	1,41,536	28,257	11,852	90,000	92,000
Mandalay canal	2,65,019	2,77,431	3,06,055	—88,668	2,11,737	2,17,000	2,66,000
Shwebo canal	4,96,402	5,05,370	5,29,667	4,69,013	5,45,248	5,96,000	5,55,000
Twante canal	...	...	..	...	...	35,000	2,12,000
Orissa canals	1,30,363	91,085	14,268	—15,773	94,592	1,06,000	1,34,000
Sone canals	10,36,931	9,62,892	12,32,922	10,51,293	12,61,764	11,61,000	9,69,000
Other Projects	13,33,442	11,63,745	22,05,910	17,49,519	16,65,864	22,83,000	36,51,000
Total	3,88,18,422	4,46,59,240	4,85,38,454	4,70,54,418	4,70,51,856	4,93,46,000	5,15,14,000

*Excluding Civil Officers' figures as under :—

	Revised.	Budget.
	Rs.	Rs.
United Provinces	12,000	12,000
Punjab	...	...
	12,000	12,000

Appendix III—*continued.*

Table VI—Capital Account of Subsidized Railways.

Actuals, 1915-1916.

RAILWAYS.	Amount in sterling.	Equivalent at Rs. 15=£1.
Subsidized Railways.	£	Rs.
Receipts.		
Capital received in India.		
Branch Line Companies under the audit of Government Examiner, E st Indian Railway	312,857	46,92,848
Mymensingh-Bhairab Bazar	63,933	9,59,000
Pachora-Jamner	18,181	2,72,720
Sara Serajganj	120,000	18,00,000
Amritsar-Patti-Kasur	14,467	2,17,000
Tapti Valley	1,600	24,000
Hardwar-Dehra	533	8,000
Sialkot-Narowal	75,067	11,26,000
Murtajapur-Ellichpur	1,833	27,500
Murtajapur-Yeotmal	24,133	3,62,000
Dhond-Baramati	577	8,662
Mandra-Bhaun	71,067	10,66,000
Pulgaon-Arvi	29,333	4,40,000
Baripada Talband	10,233	1,53,500
Chapurmukh Silghat	24,586	3,68,777
Total Receipts	768,400	1,15,26,007
Withdrawals in India.		
Assam-Bengal	*—318,673*	*—47,80,103*
Bengal-Nagpur	*—349,485*	*—52,42,270*
Burma	*—49,470*	*—7,42,044*
Lucknow-Bareilly	*—23,489*	*—3,52,328*
Madras and Southern Mahratta	*—186,351*	*—27,95,261*
	—927,468	*—1,39,12,006*
Branch Line Companies under the Audit of Government Examiner, East Indian Railway	338,812	50,82,186
Mymensingh Bhairab Bazar	38,352	5,75,281
Pachora Jamner	8,614	1,29,209
Sara Serajganj	117,770	17,66,558
Amritsar-Patti-Kasur	9,084	1,36,254
Tapti Valley	1,685	25,274
Sialkot-Narowal	80,410	12,06,145
Ahmedabad-Parantij	31	462
Hardwar-Dehra	84	1,256
Mymensingh-Jagannathganj	553	8,300
Murtajapur-Ellichpur	2,844	42,655
Murtajapur-Yeotmal	22,316	3,34,748
Dhond-Baramati	*—1,116*	*—16,750*
Mandra-Bhaun	52,371	7,85,566
Pulgaon-Arvi	26,946	4,04,194
Baripada Talband	7,748	1,16,215
Chapurmukh Silghat	18,078	2,71,171
	724,582	1,08,68,724
Total Withdrawals	*—202,886*	*—30,43,282*
Net Withdrawals	*—971,286*	*—1,45,69,289*

Appendix III—*continued.*

Table VI—Capital Account of Subsidized Railways—*continued.*

Revised Estimate, 1916-1917.

Railways.	Amount in sterling. (Omitting 00.)	Equivalent at Rs. 15=£1) (Omitting 000.
Subsidized Railways.	£	Rs.
Receipts.		
Capital received in India.		
Amritsar-Patti-Kasur	...	...
Baripada-Talbond	63,8	9,57
Bombay, Baroda and Central India Railway Branch Lines	1	1
Chaparmukh-Silghat	6,7	1,00
Dhond-Baramati	...	...
East Indian Railway Branch Lines	197,3	29,59
Hardwar-Dehra	2	3
Kalighat-Falta	108,0	16,20
Khulna-Bagerhat	31,3	4,70
Mandra-Bhaun	13,2	1,98
Murtajapur-Ellichpur	3,9	59
Murtajapur-Yeotmal	2	4
Mymensingh-Bhairab Bazar	133,3	20,00
Mymensingh-Jamalpur-Jagannathganj	5	8
Nawshahr Jaijon Extension	66,7	10,00
Pachora Jamner	31,8	4,77
Pulgaon-Arvi	24,2	3,63
Sara-Serajganj	52,0	7,81
Sialkot-Narowal	24,6	3,69
Variations anticipated	50,2	7,52
Total Receipts	808,0	1,21,21
Withdrawals in India.		
Assam-Bengal	*—25,0*	*—3,75*
Bengal-Nagpur	*—184,4*	*—27,66*
Burma	*40,5*	*6,07*
Lucknow-Bareilly	*—20,9*	*—3,14*
Madras and Southern Mahratta	*22,0*	*3,30*
	—167,8	*—25,18*
Amritsar-Patti-Kasur	1,0	15
Baripada-Talbond	66,3	9,94
Bombay, Baroda and Central India Railway—Branch Lines	8	13
Chaparmukh-Silghat	...	...
Dhond-Baramati	2	3
East Indian Railway Branch Li	210,1	31,51
Hardwar-Dehra	5	7
Kalighat-Falta	108,3	16,24
Khulna-Bagerhat	31,3	4,70
Mandra-Bhaun	18,5	2,78
Murtajapur-Ellichpur	3,1	47
Murtajapur-Yeotmal	2,3	34
Mymensingh-Bhairab Bazar	133,3	20,00
Mymensingh-Jagannathganj	1,0	15
Nawshahr Jaijon Extension	66,7	10,00
Pachora Jamner	41,4	6,21
Pulgaon-Arvi	28,2	4,23
Sara-Serajganj	55,9	8,39
Sialkot-Narowal	20,8	3,12
Variations anticipated	50,2	7,53
	839,9	1,25,99
Total Withdrawals	672,1	1,00,81
Net Withdrawals	—135,9	—20,40

Appendix III—*concluded.*

Table VI—Capital Account of Subsidized Railways—*concluded.*

Budget Estimate, 1917-18.

Railways.	Amount in sterling. (Omitting 00.)	Equivalent at Rs. 15=£1. (Omitting 000.)
	£	Rs.
Subsidized Railways.		
Receipts.		
Capital received in India.		
Amritsar-Patti-Kasur	...	...
Baripada Talbond	19,4	2,92
Bombay, Baroda and Central India Railway—		
Branch Lines	1,2	18
Chaparmukh-Silghat	46,7	7,00
Dhond-Baramati	...	...
Hardwar-Dehra	1,0	15
Khulna Bagirhat	18,5	2,77
Mandra-Bhaun	2,0	30
Murtajapur-Ellichpur	2,6	39
Murtajapur-Yeotmal	2,5	38
Mymensigh Bhairab Bazar	180,0	27,00
Mymensingh-Jamalpur-Jagannathganj	1,7	25
Nawashahr Jaijon	16,6	2,50
Pachora-Jamner	45,6	6,83
Pulgaon-Arvi	7,8	1,17
Sara-Serajganj	11,2	1,68
Sialkot-Narowal	7,2	1,08
Variations anticipated	—45,4	—6,81
Total Receipts	318,6	47,79
Withdrawals in India.		
Assam-Bengal	*—125,0*	*—18,75*
Bengal-Nagpur	*—200,2*	*—30,03*
Burma	84,1	12,61
Lucknow-Bareilly	*—8,2*	*—1,23*
Madras and Southern Mahratta	*—31,4*	*—4,71*
	—280,7	*—42,11*
Amritsar-Patti Kasur	4	5
Baripada Talbond	19,5	2,92
Bombay, Baroda and Central India Railway—		
Branch Lines	1,2	18
Chaparmukh Silghat	...	...
Dhond-Baramati	3	5
Hardwar-Dehra	1,0	15
Khulna Bagirhat	18,5	2,77
Mandra-Bhaun	2,0	30
Murtajapur-Ellichpur	2,6	39
Murtajapur-Yeotmal	2,5	38
Mymensingh Bhairab Bazar	180,0	27,00
Mymensingh-Jagannathganj	1,7	25
Nawashahr Jaijon	16,6	2,50
Pachora Jamner	45,5	6,83
Pulgaon Arvi	7,8	1,17
Sara-Serajganj	11,2	1,68
Sialkot Narowal	7,2	1,08
Variations anticipated	—45,4	—6,81
	272,6	40,89
Total Withdrawals	—8,1	—1,22
Net Withdrawals	—326,7	—49,01

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915 (5 & 6 Geo. V, Ch. 61.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Friday, the 23rd March, 1917.

PRESENT :

His Excellency BARON CHELMSFORD, P.C., G.M.S.I., G.M.I.E., G.C.M.G., Viceroy and Governor General, *presiding*, and 64 Members, of whom 56 were Additional Members.

BUDGET, 1917-18.

The Hon'ble Maung Bah Too:—" My Lord, as the representative of Burma permit me to heartily thank Your Excellency and Lady Chelmsford for having honoured Burma with a visit very early during your term of office in spite of the pre-occupations created by the war.

" In the presence of the larger issues we of Burma do not desire to importune Your Excellency and the Imperial Government with a statement of our local requirements, for we recognise that all other interests must be subordinated to the immeasurably more important one of the prosecution of the war to victory. Burma has become, I venture to submit, a Province which in industries and commerce can rank fairly high with several of the other Provinces of the Indian Empire, and in loyalty I say that it is second to none of those Provinces. Burma is doing her '*Bit*' in the war. The Burmans have given material assistance in munition-making. There are also Burmans who are employed as mechanics, telegraphists, fitters, artisans and so forth in the war zone, and Burmans are also fighting for their King and Country. Recruitment to the Burmese Company of Sappers and Miners, the Military Police and the new Company of Pioneers has been very satisfactory.

" We are extremely grateful to the Imperial Government for appointing a Burman to officiate as a Judge on the Bench of the Chief Court of Lower Burma last year, and for having recently re-appointed the same Burman Judge again as a temporary measure, but our greatest ambition now is to see him as a permanent incumbent of that Bench, as from all accounts he has proved to be an admirable Judge.

" Burma has, besides having contributed towards several Relief Funds in connection with the war, including gifts in the shape of money and comforts to the Red Cross Society, shown its loyalty and patriotism by presenting Your Excellency on the occasion of your visit to Burma with a sum of rupees 26,00,000, as the first instalment of the voluntary contributions made to the British Government towards its war expenses, in token of our appreciation of, and gratitude for, the protection we owe to His Majesty's fighting forces. I submit that, having regard to Burma's comparatively small population, these contributions have been considerable. The Burma War Fund is being daily increased by further voluntary contributions. In common with other loyal citizens, I hope that enemy influences will be excluded from Burma after the war. They have abused the hospitality which was offered them and have attempted to corrupt loyal men. I am glad to say that they did not succeed in seducing a single Burman from his loyalty.

"I desire to take this opportunity of drawing the attention of Your Excellency and the Imperial Government to certain disabilities under which my Province labours through the absence of a High Court and of means of communication throughout the Province. Our chief wants are—(1) the constitution of a High Court which will be a Supreme Court for the whole Province, both for Upper and Lower: and (2) a more liberal grant for the improvement of the communications, as we apprehend that the Burma Government will be unable to carry them out by means of the resources at present at its command. I earnestly hope that my solicitations are not premature, since I venture to think that there are signs indicating that the war will soon be ended on terms honourable to the British Nation and the Allies.

"There is one matter on which there is strong feeling in Burma, namely, that the Burma University Bill should be introduced in the Burma Legislative Council. We Burmans do not want that a Bill so closely affecting our Province should be discussed and perhaps modified by those who have no knowledge of, or interest in, the Province and its educational system.

"In conclusion, I feel it my duty to say that in our present Lieutenant-Governor, the Hon'ble Sir Harcourt Butler, we have a sympathetic administrator, who has made himself thoroughly acquainted with the needs and resources of the Province, and who I venture to say rightly believes that she has a great future. We had looked forward to much administrative, educational and industrial progress during his administration. But this does not at all stand in the way of our extending a warm welcome to our Lieutenant-Governor-designate, the Hon'ble Sir Reginald Craddock, whose devotion to duty, great ability and mature experience fully justify us in expecting that during his administration also it will be the good fortune of Burma to record satisfactory progress all along the line."

The Hon'ble Lieutenant-Colonel S. H. Aplin:—"I am very reluctant to take up any of the Council's time for I know this is going to be a very long day, but I would ask permission to add just a few words to my Hon'ble colleague's remarks on the needs of Burma. He has rightly included among these, the most pressing of our needs, firstly, the necessity for more rapid progress in the improvement of communications, and, secondly, the early establishment of a University at Rangoon.

"As regards the University, public opinion in the Province is very strongly opposed—and not unnaturally—to any avoidable delay. It is of course fully recognised that all local schemes involving heavy expenditure must be held in abeyance till the war is over; but there is a very keen desire, a very earnest hope, that the introduction of the University Bill will not be delayed, and that the Local Council will be permitted to deal with it. The Bill has already been prepared and, I understand, has received the approval of the Local Government. It has been prepared, I may mention, by the Burma Educational Syndicate, which is a very influential body, composed mainly of non-officials and is presided over by the Chief Justice. Conditions in Burma differ very materially from those prevailing in India, and it is claimed—and I submit with justice—that a Bill introduced in the Provincial Council, where local conditions and requirements are fully understood, is more likely to prove acceptable to the Province than one introduced here.

"These, My Lord, are the views held in Burma, and I venture to join my Hon'ble colleague in voicing them here in the hope that they will receive the early and favourable consideration of the Government of India.

"The improvement of communications is a matter of very great importance, not only to Burma, but also—though of course in a lesser degree—to the rest of India, for it is the first and most essential step in the development of Burma's resources. India is obviously interested in this development, because it must yield a very considerable increase to the Imperial revenues which then perhaps may be in a position to finance the various schemes of progress and reform which have been lately pressed on this Council. Burma already contributes roughly about one-third of the total provincial forest revenue of India, and I have no doubt that this contribution would be very materially

increased if her immense forest resources were fully developed. The Hon'ble Sir Claude Hill told us the other day that a project for bunding a stretch of the river Irrawaddy is shortly to be undertaken at a cost of 62 lakhs, and that the return estimated is no less than 20 per cent. This, I think, it will be universally admitted, should prove a most profitable investment.

"But it is not only in forests and in agriculture that the development of Burma will prove a sound financial proposition. Burma is peculiarly rich in minerals of various kinds, but these of course cannot be exploited without capital. Capital, however, is not likely to be forthcoming till private enterprise is attracted, and that cannot happen until reasonable facilities of communication and transport have been provided. The Government of India, and I gratefully admit it, have already recognised Burma's need of financial assistance in the improvement of communications, and I venture to hope that my Hon'ble colleague's appeal for still more liberal assistance will meet with a generous response when the exigencies of war permit a larger expenditure on provincial requirements."

The Hon'ble Sir Fazulbhoy Currimbhoy :—"My Lord, I will not preface my remarks on the Financial Statement with the usual congratulations, because there can be nothing but approval of the bold and statesmanlike manner, in which my Hon'ble friend, the Finance Minister, has once again grappled with the financial exigencies of the country, and met the calls upon our Exchequer as the direct consequence of the war. I look upon the Budget for the coming year as essentially a war Budget, and I do not therefore propose to offer any criticism. The burden as now distributed falls mainly upon the shoulders of the 'Upper Ten', and that again of the commercial or industrial classes, as one of the provisos of both the new Super-tax Act and the Income-tax Act make the new impost inapplicable to the rich landowner classes. Speaking on behalf of Indians of the former class, whom it is my proud privilege to represent upon this Council, I can assure Your Excellency that, hard though they are hit, the burden will be borne by them with that patriotic readiness which has always characterised their actions throughout these critical times. I have no doubt the response to the new Loan will be as generous as it will be spontaneous, and I already feel re-assured of the unprecedented success of this appeal for funds. The contribution of a hundred millions, although insignificant compared with the thousands of millions the war is costing, is to my mind, looking to the limited resources of the country a little too high; but it is welcome, because it brings the country into line with the Dominions, if it ever did really lag behind in shouldering its share of the burdens of the Empire in this struggle for existence against the enemies. I hope it will silence those at least of the thoughtless and carping critics whose sole business, it strikes me, is to offer destructive, and at times obstructive, criticism instead of standing shoulder to shoulder with the Government and the various classes of the British people, and aiding them speedily to achieve that object, with which, we all stand obsessed at present, namely, to win a great and final victory over the Central Powers.

"Coming now to the details of the Statement, I feel, My Lord, I must diverge from my original intention and congratulate my friend, the Hon'ble Sir William Meyer, on his determination not to increase the Salt Tax, and thereby to add to the already heavy burden of the poor man, made heavier day by day, through the inordinate increase in the prices of the very necessities of life. This decision is all the more welcome politically looking to the critical times through which we are passing. I take this opportunity to express the hope which is shared by every public man in the country that the question of prices will be one of the earliest to engage the attention of the Government hereafter.

"The enhancement of the Cotton Import Duties, now supported by the unanimous vote of the House of Commons, is most welcome and is regarded as an indication that Government have realised the inequity of the Cotton Excise Duties and have determined to abolish them totally as soon as the financial situation will permit after the termination of the war. My Lord, there can be but one feeling, that of unmitigated regret, at the discordant

note struck by the Lancashire Deputation to the Secretary of State over this question. As Mr. Chamberlain so aptly pointed out the Deputation displayed an 'absolute,' and if I may add deplorable, 'want of knowledge of Indian conditions and Indian feelings,' an ignorance not simply of that, but of the grave warning uttered so recently as last year by so eminent a Statesman as Lord Hardinge. The whole country must feel reassured at the Secretary of State's courageous and outspoken attitude and his firm determination 'to counteract the impression that the Government's fiscal policy is dictated by selfish considerations' and also to not 'deny to the people of India the fair play which they expect.' My Lord, the Secretary of State has effectually answered the arguments of the Deputation which were in themselves untenable. But the worst feature of the position, as it existed up to now, was not that it benefited Lancashire and did not benefit India, but that it permitted other and foreign countries to take advantage of this invidious position and to make India the dumping ground for their wares when her own staple industry was being starved. I fail to comprehend how a body of shrewd British merchants with a robust sense of the right and the wrong, where their own interests are concerned, should have been so carried away as to overlook the grave injustice suffered by this country for well nigh twenty years. It was indeed a happy coincidence which enabled the Secretary of State to place before the Deputation the disinterested testimony of His Highness the Maharaja of Bikanir and the Hon'ble Sir S. P. Sinha, two of the representatives of the Government of India to the Imperial War Council. My Lord, I cannot pass from this subject without paying the grateful tribute that is due to Your Excellency and Your Excellency's Government for the bold and persistent stand made in seeing this long-standing wrong righted. It is earnestly hoped at the same time and even the fond belief is cherished, that the enhancement will not be looked upon as a war measure to be withdrawn on the establishment of peace. We quite recognise that this, and all other, Imperial fiscal questions must be reconsidered when we have the time to assimilate the educative lessons of the war, but the first consideration in this analysis must be the interests of India.

"My Lord, the Budget is not the only land-mark in the history of this country set up within the most epoch-making period in the annals of the world. A new and greater land-mark was erected only the other day by the enactment of the Defence Force Act, and by the throwing open of enlistment facilities in a greater measure to the sons of India. That measure is again a happy augury of the 'changed angle of vision', and I have little or no doubt, will meet, with that prompt and extensive response which it fully and eminently deserves, although I am led to fear that the response as such may to some degree be handicapped by the absence of the privilege of Indians being granted commissioned ranks and perhaps the meagre salary paid. I feel confident, however, that the patriotism and selflessness of young India will rise superior to these considerations, and that there will be that free offer of service which we all so proudly and with confidence expect. I also consider that, if enlistment for Indians was thrown open from 16 to 18, it would have brought opportunities to a wider extent to the youth of the country to be trained in the profession of arms, and thus laid the foundation for a great Indian citizen army. His Excellency the Commander-in-Chief's assurance that 'all eminently temperate suggestions which have been put forward will be fully and sympathetically considered in the future' conveys the grateful assurance that these and other considerations will meet with generous treatment.

"I regret that my Hon'ble friend, the Finance Minister, should have been compelled to resort to an increase in railway freights. Owing to the high prices ruling at present, it may not be felt so much for the moment, but after all, the return which this increase will bring is slight, and it must hamper the internal trade of the country, and I would rather he had resorted to some other means of raising revenue. I am glad of the assurance that it is to be looked upon as a war measure, and that the freights will again be reduced immediately upon the termination of the war.

"My Lord, I have already referred to the two land-marks in our progress, and I now come to an event which might well, without risk of being hyperbolic, be termed epoch-making, I refer to the departure of India's representatives

to attend the Imperial War Council. The unanimous feeling throughout the length and breadth of the country over this wise step is one of unbounded enthusiasm, rejoicing and pride, that India has at last received recognition as an integral part of the great British Empire of equal, if not greater, importance than the Colonies, and that her claim to be represented in the inner Councils of the Empire has been vindicated. While on the subject I cannot refrain from once again referring to the deep and everlasting debt of gratitude which India owes to your illustrious predecessor, Lord Hardinge, for having secured for her this great privilege. This Council will discuss not only the most pressing and all-absorbing question of how most successfully to carry the war to speedy victory, but will doubtless, after *the* question of all questions is discussed and settled, proceed to consider some at least of the post-war problems, and amongst these the question of *trade after the war*. The fiscal relation of the various parts of the British Empire with each other and with the Allies and Neutrals is bound to be raised, and I venture to express the hope that Your Excellency's Government will be alive to the importance of India's interests in any trade or fiscal arrangements that may be decided upon, and will make it a point to see that the Indian point-of-view is effectually and emphatically represented and expressed, and the country's great stake and future safeguarded. I feel confident Your Excellency's statesmanship will not fail to see that full measure of justice done to the country which she deserves and has won by her sacrifice of blood and treasure for the common cause of the Empire.

" My Lord, a period pregnant with the most historical events in the annals of this country has been made more historic by the Ordinance recently issued by Your Excellency's Government prohibiting indentured labour. It is no misty benevolence or vague sympathy that has led to the Ordinance being issued, but a far-sighted and sagacious statesmanship quick to grasp the position and the degrading reality of the situation which has led to it, and My Lord, this measure is bound to evoke unstinted and unqualified approval throughout the country."

The Hon'ble Mr. K. V. Rangaswamy Ayyangar :—" My Lord, the provision of a hundred millions sterling, together with its interest, which amounts nearly to double the gift, towards the war expenditure of the Empire, is undoubtedly the most prominent feature of the Budget of this year. Apart from the consideration, as has been pointed out by our esteemed colleague, the Hon'ble Pandit Madan Mohan Malaviya, of neglecting to take this Council into confidence before the contribution was made, the burdening to a breaking point of a country, whose poor people are already over suffering owing to results of a peculiar economic policy of the Government of India, without leaving a margin for emergencies, should furnish an insoluble problem to the statesman. This danger of the total helplessness of India in the event of a direct attack on her, though it is to be hoped that the recent brilliant victories of the British arms in Mesopotamia and other fronts would make this a remote contingency, must not escape the notice of this Council. It is, of course, difficult to say what the end of the war will bring to us in the shape of new international relations. We cannot lightly brush aside what policy actuated the framers of the Government of India Act for the necessity of the inclusion therein of sections 20 and 22.

" In this connection it has to be pointed out, especially in view of the unmerited complaints brought against India in certain Anglo-Indian organs, that even without this huge contribution India has borne more than her own fair share as compared with other parts of the Empire from the services already rendered by her in her sacrifices of men and money.

" Carefully did I scrutinize the figures of the contribution towards this loan in both men and money by India and by the various Colonies. I have not deemed it proper to disclose the figures at the present time. I am well convinced that no Colonies peopled with richer classes have made a similar sacrifice. Is it fair to strain the resources further ?

" The immediate result of all these is the levy of a differentiated Super-tax. I had already spoken of its unfairness when the Bill was first introduced—especially that aspect of it which cleverly excludes Joint Stock Companies

while seriously affecting the richer section of Indians that has ever been ready to contribute to war funds liberally. The enhanced charges on telegraphs and petrol and the increased fares on railways again virtually constitute increased taxation seriously affecting the richer sections. Indeed the surcharge on goods carried by railway and the tariff on yarn and piece-goods affect the people, as one Bengali paper puts it, more than the salt tax itself. Perhaps the tariff may prove good as it may serve to protect indigenous textile industries a little; and I do not agree with some who say that it is something as medical aid being requisitioned to the dead.

"Again, the note of alarm has already been struck by the announcement of the Finance Minister in paragraph 60 of his speech that even land may not be exempt from further taxation. If it is to partake of the nature of a general increased cess, it will affect all sections of land-holders, the majority of whom, it is notorious, are already on the brink of bankruptcy. A little reflection is enough to convince that taxes on Zemindars are of the nature of tributes from ruling chiefs, while it is unfair, if not illegal, to enhance land tax on ryotwari land-holders within the period between one settlement and another. For even as claimed by Government land tax is taken to be a contract to pay at a definite rate for a definite period. Our Hon'ble Finance Member has realised that it was the land-holders who were maintaining the local roads and railways for the convenience of all the other classes, and yet he has declared in this strain. It would be a matter of great heartburning if another burden, as indicated by the Hon'ble Member, is brought to bear upon them.

"It has been repeatedly advanced in this Council that the subject of Primary Education should receive the urgent consideration of the Government next to the question of military expenditure. But, in this land of agriculture as one representing mainly agricultural interests, may I not be permitted to urge on Your Excellency, with all the emphasis I could command, the necessity of recognising the improvement of irrigation as the foremost duty of Government. This seems to me and to many others as a panacea for most evils. It will enable people to help themselves in many important matters where they are helpless now—such as, education, improvement of sanitation, etc. It will minimise the recurrence of famines which so often direct the finger of scorn against British administration. At present in India, education as given by the Government is resorted to only as a means of getting a livelihood, and irrigation would better achieve this object. By comparing education with irrigation, it is not at all my aim to under-estimate the value of education. I attach as much importance to education as any ardent advocate of it, and I say that irrigation should be recognised as equal in importance to education. There are many important schemes of irrigation where delay would simply be dangerous. The decision of the Supreme Government in the matter of Kannambady Project is sure to bring on the greatest hardships on the people of Tanjore and Trichinopoly Districts, unless the Methur project is taken on hand for execution immediately, and I fear that many other Native States would take a leaf from the Government of His Highness the Maharaja of Mysore and steal a march over the Government of India, taking advantage of its dilatoriness. It is a matter for serious regret that in the current year again there is a further retrenchment under the head which must necessarily impair the proper working of even the existing systems of irrigation. The agricultural classes have the largest claim on the consideration of the Government, and I cannot too strongly urge on it the necessity of adopting a liberal policy towards them especially in the matter of irrigation.

"I have already brought to the notice of this Council the greatest injustice that is continued to be done to many Hindu and Mohammedan religious institutions by the action of the Government in not giving to them the full benefit of the incomes derived from their lands that are managed by the Government, and in not returning to them the unpaid and accumulated surpluses of previous years. It is a strange plea for the Government to advance that it is unable to get at the exact accounts; for most accurate accounts are always kept as regards the claims of Government itself against any of its subjects, especially if they happen to be agriculturists. Many of these temples are in a ruinous state of repair, and it will bring contentment and comfort

to thousands of people if their property is restored to them completely. They no longer require any further nursing from Government, if they required it so long at all under these costly conditions. These Trust Funds should receive the most sympathetic consideration of Government, and I must beg Your Excellency to issue strict instructions to Local Governments for more liberal and straightforward dealings with these religious institutions.

"The action of Government in having put a stop to the emigration of indentured labour during the war has secured for it the thanks of the Indian community, and it is to be hoped that steps may be taken to stop it permanently even after the war.

"A few days ago the Indian public was much amused to read that the Secretary of State had taken shelter, while replying to the protest of Lancashire against Indian cotton tariff, under the plea that 'it was not within practical politics to raise excise as not a single Member of the Legislative Council of India would vote for it.' It is indeed a rare compliment especially to the non-official section and they may be excused if they do not know how to receive or in what terms to acknowledge it. But it is sad to reflect that few of the many Resolutions of non-official Members have been able to make head against the official majority—as though there is such persistent and concentrated unreasonableness in all their demands. I can understand the ignorant villagemen preferring requests to us as soon as we get into the Council for rectifying one or the other of their grievances and abolishing some of their heavy taxes. But it is surprising to see that the Secretary of State credits us with powers that we constituents know we cannot exercise.

"It only remains for me to join in the general chorus of congratulations on the Hon'ble the Finance Minister on his having so ably framed the Budget of this most trying year and on the Hon'ble the Educational Member for providing 30 lakhs more this year than the last for education."

The Hon'ble Mr. M. B. Dadabhoy:—"My Lord, if the Hon'ble Sir William Meyer has the misfortune to have the management of our finances in times of exceptional difficulty and stress, he has the singular good luck to have the whole country at his back in his financial arrangements. The cordial reception accorded by the public to the Budget, marked though it is by extra heavy expenditure and additional taxation, should be welcome to any Finance Minister. It should likewise be welcome to Government, both here and in England, affording as it does the clearest proof of the good sense, the patriotism, and the enthusiasm of the whole Indian community in the great allied cause. Abnormal expenditure and heavy taxation are always distasteful to the people, and if they cheerfully accept the position, it is not because they do not feel the strain, but because, in their firm determination to strengthen the hands of His Majesty's Government in this crisis, they have not the slightest disposition to spare themselves.

"My Lord, by far the most remarkable feature of this Budget is the bold decision of Government that India shall raise the largest possible internal war loan, and supplement it by taking over so much of the British loan as may be necessary to bring the contribution to £100 million. This decision of Your Excellency's Government has been enthusiastically welcomed throughout the Empire as a further proof of India's loyalty and determination to cheerfully share in the sacrifices of this great war. Your Excellency rightly interpreted and voiced the feelings and sentiments of the people, when in January last Your Excellency communicated to the Secretary of State that 'the time has come for India to place her credit and her taxable capacity at the disposal of His Majesty's Government', and that such an offer 'will evoke a general response from the Princes and peoples of India'. The War Loan is undoubtedly an event which will truly form a distinct landmark in our financial history. The Ruling Princes and peoples of India are fully alive to the sacred responsibility which has devolved on them as a component part of the great British Empire, and are only too eager to take their share in the sacrifice of blood and money, and are prepared to participate in all financial burdens howsoever heavy. We remember with gratitude the substantial pecuniary aid

rendered by the people of England on several occasions when dire famines afflicted our country. My Lord, the amount of the proposed contribution has not evoked in the country any adverse criticism, and it is only just to acknowledge that there is a loyal desire everywhere to abide by the Government decision. The reasons underlying the popular support are clear. A thorough identity of Indian interests with those of the British Empire as a whole, and a general keen desire to share the financial responsibilities of the war without strict regard to the financial capacity of the country, are the most important among them. Mr. Chamberlain was quite justified in affirming that the grant from India has been made 'by the unanimous good-will of the Indian people.' The people of England have made the greatest sacrifice both in men and money, and we Indians, whose fates are indissolubly linked with the British people, will not lag behind, either in sympathy and enthusiasm, or in making any sacrifice which is consistent with our economic condition. We cannot lose sight of the fact that during the last two-and-a-half years India has wholly escaped hardships and other serious consequences attendant on a war of such magnitude, and on the whole has been free from all perils by sea owing to the splendid service the British Navy has rendered in guarding all the sea routes to our great Empire. We fully realise that no sacrifices on our part are too great for the victory of the British arms. It is under British rule that India has enjoyed unbroken peace, material prosperity, and religious toleration, and has made rapid strides in general education, culture and civilization. Our duty requires us to do all we can to bring the war to a victorious termination. It now only remains for every person in this country from the highest to the lowest to respond to the call ungrudgingly and with unabated enthusiasm, and to subscribe every rupee that can be spared to make the War Loan a colossal success, and a worthy contribution of a great dependency whose claims to a voice in the Councils of the Empire have recently been upheld. At last an opportunity for India has arrived. Let India rise to the occasion and show to the world that she is not less alive to her sense of national duty and responsibility than other dependencies of His Majesty's great Empire.

"My Lord, I may be permitted to respectfully point out that the scheme devised for the payment of £100 million sterling to His Majesty's Government, though admirable as it is, is capable of improvement. In my humble opinion there is another practical method of meeting a substantial portion of that liability than the proposal to take over the £90 million sterling of the Home Government's War Debt. The Government proposal entails an annual charge of at least £4,250,000 in interest and sinking fund, an amount considerably over the total annual payment of interest on the whole of the Rupee Debt of India, and about two-thirds of the total annual interest on the whole of our Sterling Debt. Add to this the annual charge of the £10 million loan, and the total annual charge will be heavy. And not only that: Whereas practically the whole of our existing Public Debt, both Rupee and Sterling, has been raised for *reproductive* purposes, and the interest is charged to the revenues from our railways and irrigation works, the whole of the new loan of £100 million sterling will be for *unproductive* purposes and the annual payments therefor will be a charge upon the general revenues. The additional charge must to that extent affect the resources of this Government for many years to come, and this at a time when the insistent demands for the development of education, sanitation, irrigation, railway, commerce and industry have to be put off for want of funds. Taxation has its limits in all countries; and the limits must of necessity be narrow to a degree in an industrially backward country like India. Ordinary prudence would counsel the maintenance of a substantial margin of taxable assets, especially in India. But with the new scale of taxation in operation this margin has become extremely narrow. It would be wrong to calculate upon a reversion to our pre-war expenditure even after peace has been restored. The Hon'ble Sir William Meyer told us last year that 'the termination of the war, when it comes, will leave us with heavy financial demands upon us.' And, further, 'the experiences and lessons of the war must also add in some directions to our permanent military charges.' How shall we meet the heavy financial demands on the restoration of peace once we use up the sources of revenue in providing for

extraordinary burdens? We must look ahead. From the analysis of the position in the Hon'ble the Finance Member's speech three other possible directions of taxation occurred to Government, one of which—an excess profits tax—must disappear at the end of the war. It is quite within the range of possibilities, especially in the likely contingency of the war being prolonged, that the remaining two sources will also be used up before long.

"My Lord, on a careful review of the facts it becomes necessary for us to devise, if practicable, an alternative scheme of financial aid to Britain without in any way reducing the amount of £100 million, and I submit that it would be far better to reduce materially the amount of the British war debt proposed to be charged to Indian revenues by making over to the Imperial Government a substantial portion of the Paper Currency and Gold Standard Reserves now held in England. The Hon'ble the Finance Member has told us that the total holding in British war securities in the Paper Currency and Gold Standard Reserves will amount at the end of this year to £46½ million sterling, of which £35 million is wholly new investment. It is difficult to see why the major portion of this money, say £30 million, cannot be made over to His Majesty's Government. The gold portion of the Paper Currency Reserve held in England is, according to a strong body of expert opinion, unnecessary for the specific purpose of securing the convertibility of our notes, and the amount of the Gold Standard Reserve might be reduced, if only for a few years, without serious risk to the sterling exchange. I am aware that the Chamberlain Committee recommended an unlimited accumulation of the Gold Standard Reserve, but the recommendation was dictated by an excess of caution which, in the extraordinary conditions introduced by the war, must lose much of its utility. Besides, in the considered note on the Gold Standard Reserve by Mr. Abrahams of the India Office, it has been pointed out with great force that the incidents of the exchange crisis of the period between 1st September 1907 and 31st December 1908, the severest yet experienced or apprehended, show that a sum of less than £18 million is sufficient to meet all contingencies. As a matter of fact, the Reserve stood at something less than £12 million in that critical period. And yet there was no difficulty. It is true under the existing orders the Reserve is to be maintained at £25,000,000, but the Secretary of State might be persuaded to reconsider the position, especially in view of the fact that reduction in amount is suggested only as a temporary measure, with the sole object of avoiding, to some extent at least, additional annual sterling liability, an increase in which must proportionately aggravate the exchange difficulty.

"The investment of the gold of the two Reserves in permanent securities, some of which at least have become unsaleable, shows that it is not immediately wanted for supporting either the note circulation or the sterling exchange. In my humble opinion, the application of a good portion of this gold to the partial liquidation of the Indian War contribution is the best use to which it could be put. The interest now earned with it is much less than what we have got to pay for the British war debt taken over by us, and there is great risk of a further depreciation in the value of the securities. Again, we could have easily borrowed £100 million sterling at a low rate of interest on the security of our productive assets. American bankers would promptly underwrite the entire amount for the mere asking, and we would also reap the benefit of a favourable exchange. I am fully aware that an internal loan is preferable for many reasons to a foreign one, but in the present exceptional circumstances such a course was permissible, especially as we would have been in a position to render more substantial aid to Great Britain in prosecuting the war by making an immediate cash payment of £100 million instead of a transference of its long-term commitments. But we must accept the better judgment of Government. Let us all hope that India will be able to raise as large a sum as possible and retain the advantage for itself of an attractive and remunerative rate of interest.

"The increased duty upon imported cotton goods, perhaps more than any other tax, has the most unstinted and whole-hearted support of the whole country. It is regrettable that even in the present crisis Lancashire has started

an agitation with a view to secure a repeal of the impost, the moral effect of which in India can only be described as deplorable. My Lord, any concession to the British manufacturer in this respect will produce the keenest disappointment among the people here. The point need not be dilated upon. We have every hope this Government will stand firm in their determination to resist any modification of the scheme. The country is exceedingly grateful to the Secretary of State for India for the bold stand he made in defending Indian interests when dealing with the Lancashire Cotton Trade Deputation. My Lord, I beg of you to convey the grateful acknowledgments of the non-official Members of this Council to His Lordship for the firmness and justice with which he has tackled a really difficult situation. Nobody here can find fault with the undertaking given by His Lordship and the Premier, that the question should be reconsidered after the war in connection with the fiscal relationships of the Empire. If the fiscal policy of India is reconsidered after the war, in conjunction with the fiscal policy of the Empire as a whole, I feel perfectly confident that in any system then devised of Imperial obligations and responsibilities, India's claims for a just treatment shall not be lightly overlooked.

"My Lord, the remarks of the Hon'ble the Finance Member on the wide possibilities of our paper currency system are, it is true, fully borne out by the facts, but, I beg leave to point out, any attempt at the introduction of a one rupee note in these 'times of incipient uneasiness', as the Hon'ble Sir William Meyer calls them, will not only prove a failure, but may create an undesirable impression among the illiterate masses of India as regards the soundness of the whole paper currency system.

"My Lord, the announcement that the Secretary of State has sanctioned 'a systematic and liberal scheme of delegation' in the matter of financial powers, will be received throughout the provinces with genuine satisfaction. The aim should be to secure for Local Governments reasonably large powers of expenditure and as large an autonomy in financial matters generally as is consistent with the responsibilities of the Government of India as the supreme administrative head. Decentralisation in finance has been felt to be a necessity for years past, and any sound scheme which works towards that end must be welcome.

"The Hon'ble Sir William Meyer has told us that an agreement has been concluded with the Government of the Netherlands Indies for the supply by this Government of Indian opium at an agreed fixed price; but what this rate is, the public do not know. We do not know, too, the contract rate per chest at which opium is supplied to Hongkong and the Straits Settlements. Complete information on the point is necessary for the satisfaction of the public, especially because the Government estimate of the strength of the market is marked by some nervousness. Last year the upset price per chest of opium offered for sale by public auction was at first fixed at ₹1,800, an inordinately low figure according to expert opinion and as proved by subsequent experience. It was raised to ₹2,500 a few months later, but the competition price swung about ₹3,000. This time the upset price has been raised to ₹3,200, but perhaps the public sales will prove that it, too, errs on the side of moderation. In view of these facts a new arrangement to sell opium to consuming Governments at a low price will lack justification. My Lord, in this matter of opium the people have cause enough to be nervous. The past history shows that, without any regard for the wishes of the people here or the financial needs of this Government, India was deprived of a steady annual revenue of £5 million and more, a revenue that would by itself have almost wholly covered the annual sterling liability entailed by our war contribution. If we cannot undo the past, let us be careful about the future.

"The public would likewise wish to have fuller information about the form, composition and distribution of the Paper Currency Reserve. A statement on the subject similar to that regarding the Gold Standard Reserve should be included in the *Finance and Revenue Accounts of the Government of India*, and this statement should be brought up to date in the Explanatory Memorandum accompanying the annual Financial Statement, care being taken to show the notes held by Government in the Reserve Treasuries.

"My Lord, the Hon'ble the Finance Member has discussed fully the possibilities of additional taxation in view of the extra financial needs of Government. One would have felt more grateful to him if he had scrutinised with his characteristic vigour the possibilities of retrenchment in Civil Expenditure. It is time this matter should be thoroughly investigated. That there is scope for retrenchment, is widely believed. The larger employment in the higher ranks of indigenous agency wherever practicable will surely result in greater economy. An authoritative statement by the Hon'ble the Finance Member based upon careful investigation, would help the people materially to judge correctly of the steady growth in expenditure under the two heads 'Salaries and Expenses of Civil Departments' and 'Miscellaneous Civil Charges,' as also of the possibilities of the future.

"The special recurring grant of £200,000 for the improvement of the training and pay of teachers in primary and secondary schools is beyond question the most agreeable feature of the Budget under review. We note with gratitude Your Excellency's personal influence in it, and only hope it will be an expansive grant in succeeding years.

"One word more: My Lord, we are all now anxious about the position of India in the reorganised British Empire. The pronouncements of high authorities in England, Lord Milner's recent address at the British Empire Producers' Association among them, are the least calculated to allay our anxiety. Whatever may be the fate of the already famous memorandum of the 19 members, this much is plain, that any confederation of the different units of the British Empire which does not secure to India, not only a position of dignity and trust, but power proportionate to her population and importance, will be viewed with the keenest disappointment. We certainly cannot reconcile ourselves to the position of administrative and fiscal subordination to the Dominions. The people look to Your Excellency for securing to them that justice and generous treatment to which they have earned an indefeasible title by their conduct during this crisis."

The Hon'ble Mr. Bray:—"My Lord, I want to make one or two remarks on the Budget, but I feel that I stand between the proverbial devil and the deep sea, for in the Hon'ble Member's Financial Statement the other day there were certain words which seemed to me very pertinent, and words which should be borne in mind by all would-be critics—they were these 'in regard to this and other alleged shortcomings our critics have not been in a position to take into account the various factors of a complicated situation.' That is my devil.

"Last year the Hon'ble Member said: 'I do not mean that there have not been criticisms on this point or on that, it would show an almost unhealthy state of unanimity if there were none such'. That is my deep sea.

"Now the last thing I want to do is to make unjustifiable criticisms or in fact to criticise at all in times like these, when the least one can do is to refrain from anything that may make even more difficult than they are the tasks of those in high places, but, on the other hand, I should not like to be accused of unhealthy unanimity, and I hope in the brief remarks I propose to make that I may be able to steer a course between the two and not strike anything that may be considered a discordant note.

"Criticism of actual war measures appears to me out of place, but in so far as those measures affect the future after the war, I think that criticism, if not perhaps necessary, is at least intelligible and not unreasonable, and there are two points in the Budget that I propose to refer to in their bearing on the future.

"The first is the position of the railways. In her railways, India possesses a very fine paying asset, and it behoves her to maintain that asset at the very highest pitch of efficiency and to develop it continually. Now, as things are, what is the position of that asset? My Lord, it is a wasting asset. One of nature's unalterable laws is that you cannot go on taking out without putting something back, whether it be land or anything else that produces.

"What has been taken last year from the railways? Practically the whole of their magnificent profits. Where have they gone? It is hard to say. One might pick out several heads of expenditure and say here or there, but if I may use a vulgar expression, the Hon'ble Member has practically 'blued the lot.'

"What has been put back? Almost nothing, and why? Because it has been impossible to purchase material for renewals and repairs. Quite so. But is that an unassailable reason why money that could not be spent should not have been set aside to purchase later on?

"I believe I am correct in saying that Railway finance does not favour as a rule reserves on account of depreciation, etc., the theory being that a railway does not depreciate, but is maintained in a constant state of efficiency out of revenue, but when material is lacking to maintain that state of efficiency, and money is available, is it not the proper thing then to make a reserve?

"Perhaps the Hon'ble Member will say, 'but see what I have allotted for 1917-18.' I would say the allotment, whether it is sufficient or not, is for next year, what about the arrears of last year and perhaps the year before that'? I would prefer cash. Allotments are slippery things, they have a way of being cut down; they have to become grants, and grants again get cut down and lapse through inability to spend. Or perhaps the Hon'ble Member will say that he has really only borrowed the money that should have gone in maintenance and that it will be forthcoming when it can be spent. My Lord, is not that the old, old story? The perfectly honest man uses money that belongs to some one else in the full belief that he will be able to return it when required. When the time comes, and he cannot do so, what does the law call it?

"I have no doubt that the Hon'ble Member fully intends to give the railways all they require when they can spend it, but I must confess to very grave doubts as to whether in the midst of claims for education, claims for industrial development and what not, he will be able to fulfil his intentions. I am ready to believe that the Hon'ble Member had no choice but to take this money; that, had I been in his place, I should have done the same: in times like these we cannot be choosers and the theft by a mother to feed her starving child comes as near being justifiable as any theft can be.

"What has been done cannot be undone, but I would ask the Hon'ble Member if he cannot find some means of making sure that he will be able to put that money back before the day comes when it will be required of him. He has taken steps to provide a reserve against depreciation in the investments on behalf of the Paper Currency Reserve; would not similar steps be more than justified in the case of railways? I would sooner have seen some of the railway earnings invested in war loans and definitely earmarked as belonging to the railways, even if it meant further taxation, than face the possibility, to me I fear the probability, of the railways being starved in the years to come. Financially for years past they have not had fair treatment nor opportunities for full development, and they never will have, I fear, until their finances are definitely separated out from those of the Government of India. As long as there is one common purse which swallows their receipts and grudgingly, owing to the many calls made upon it, makes their disbursements, I fear their claims will not receive the consideration they deserve and development will proceed much more slowly than it ought.

"And now, My Lord, let me turn to the super-tax. A few days ago I stood here and assured Your Lordship that our services were at your disposal. I can now only add that those services included money. I do not think that anyone in criticising the new Act has meant that he had any objection to *paying*. If he had, then certainly he will not get much sympathy here or anywhere else, but objection has been taken to the method adopted of raising the required revenue, on the ground that it is not necessarily only a war measure, but may continue after that and have a very bad effect on the financial policy of companies, in that it offers to those in control a direct inducement to avoid the tax by distributing profits up to the hilt and not putting a fair proportion of profits to reserve. That this is not an idle objection the Hon'ble Member has admitted by since making a concession of 10 per cent. in addition to the usual depreciation allowance.

"It is objected that this is not enough. Well that may be so or not, but if the fears expressed prove well founded, I have no doubt that the proposed general revision of the Income-tax Act will afford the Hon'ble Member an opportunity for putting things right. That he will be ready and anxious to find a remedy, if one is required, I feel assured by his attitude on the questions that came up in Select Committee which was as sympathetic as anyone could wish. The Hon'ble Member had to raise the money: in view of what has been done at home, an obvious source to tap was the large profits known to have been made by certain companies, firms and persons last year in India. The Hon'ble Member devised a method of doing this which I do not suppose he considers an ideal method, but which he gave us as the best he had been able to devise, and as I have not heard anyone suggest a better or been able myself to think of one that would not have been open to equal or greater objection, that best is good enough for me.

"No method of taxing operates with absolute fairness or even satisfies everyone; to have devised a method of getting in so much more revenue without causing more grumbling is an achievement that is a testimony both to the skill of the Hon'ble Member and the readiness to pay of those concerned.

"Taking the Budget as a whole, I think that any who feel disposed to grumble expected really to have a good deal more to grumble at, and that the general verdict is that the new burdens have been, as the Hon'ble Member claims, imposed on the shoulders of those best able to bear them, or at any rate on *some* of those best able to bear them.

"I cannot sit down without a word about the war loan. It is said that it should be necessary to offer special inducements to the subjects of the Empire to lend their money to the Empire in time of need, but it is no good moralising on that point. The special inducements have been offered, and it seems to me that any money which is available for investment in the war loan and is deliberately withheld becomes, so to speak, blood-money, and should and probably will bring bad luck if not worse to him who so withholds it."

The Hon'ble Maharaja Manindra Chandra Nandi of Kasim Bazar:—"My Lord, on behalf of myself and the constituency which I have the privilege to represent in this Council, I offer Your Lordship our sincere congratulation on the Budget which Sir William Meyer has prepared with such foresight and wisdom and which was presented to us only a couple of days ago. This first Budget of your Viceroyalty promises to be one of the most epoch-making events in the history of Indian finance for its courage as well as for its virtues of omission and commission. In spite of the imposition of several taxes, it has many features which commend themselves highly to the consideration of the people. Not many years ago, Sir Guy Fleetwood Wilson pronounced one of his annual Financial Statements to be a Swadeshi Budget, because circumstances had permitted him to make very large grants for education and sanitation. The present Budget of Sir William Meyer can, in a similar spirit, be called 'the people's Budget,' not so much for its positive benefactions as for its negative virtues. It avoids any imposition of taxes upon the agricultural masses of our people: it does not increase the income-tax; it does not tax the necessaries of Indian life.

"It is a matter of considerable satisfaction that Sir William Meyer has refused to increase the duty on salt which would have certainly meant greater hardship to our agricultural population and their still poorer cattle. I hope for the best interests of India, as well as for the good name of our Government, that, however dark the fiscal situation may be in the future, the duty on salt shall never again be increased, and that an early opportunity should be availed of to reduce it as soon and as much as possible.

"I also congratulate the Finance Member for his having avoided a further increase of the land-tax in India. Sir William, however, has declared that 'while we refrain on the present occasion from imposing additional Government taxation on agricultural incomes, we can give no pledge that we shall refrain from doing so hereafter, should future necessities oblige us to take this course'. I again hope in the best interests of my country and for

the good name of our Government that such a necessity should never arise, and, if it should ever arise at all, the Government should not go back upon the promises and pledges contained in the Permanent Settlement of Bengal and the enactments connected therewith, though the Council may be aware that with the Public Works Cess and the Road Cess there has been a violation, in the words of Sir Frederick Currie, of 'the positive statutory engagement' made by the Government with the zamindars of Bengal.

"As regards the new taxes imposed this year, I have got a few words to address to Your Lordship. I find that the burdens have been put on the right shoulders and equitably distributed. I have no exception to take to the export duty on jute, though I think that a surcharge on railway goods will ultimately recoil upon the Indian consumer and hamper a bit our nascent and infant industries. As for the super-tax on all but agricultural incomes, I hope Indian finance will admit of its being revised at no distant future. The easy passage of these fiscal measures in the present Council is due very largely to a general feeling of public spirit which desires to help the Empire at this time of need.

"The whole of India rejoices to-day that the Government have seen their way to increase the import duties on cotton from $3\frac{1}{2}$ per cent. to $7\frac{1}{2}$ per cent. without, at the same time, increasing the countervailing excise duties on Indian cottons. Everyone in this Council is aware of the fact how Lancashire has resented this treatment, and how the Government of India has had to face the music both in and out of Parliament. It does one's heart good to see the stand made by Mr. Austen Chamberlain on behalf of India in regard to this matter. Lord Hardinge, speaking on this point in his last Budget speech in this Chamber last year, asked the people of India 'to await the future with patience and confidence'. Mr. Chamberlain in his reply to the Lancashire Deputation has not tried to mince matters or to hold out hopes for the alteration of the arrangements now arrived at in connection with these duties. The countervailing excise duties, first imposed in 1894 and reduced to their present scale in 1896, have been looked upon with a deep and rankling sense of injustice and injury by our people as, in the words of Mr. Austen Chamberlain, this excise has not only been a 'hateful tax,' but 'it seems to me there has been protection hitherto, but there has not been equality hitherto, and that the protection has been on the side of Lancashire'. Sir William Meyer deserves our warmest thanks for having removed this open sore and increased the import duties on cotton to what they were from the year 1864 down to 1875. Every well-wisher of India hopes that no false ideal of imperial responsibility and obligation should ever oblige the Government to reverse the decision which it has already taken in the matter.

"Having said all that I intended to say on the new taxes, I will come to the war loan. Though the amount of one hundred million pounds sterling is practically equivalent to the permanent rupee debt in India, and seems to be large enough for the resources of the Empire, it is practically nothing compared to the need of the Allies. It is not a fact that India has not tried to do her best to help the Empire with men and money, and it is a pity that many of our critics and candid friends should not have considered our contributions enough. I will not mention at this place the number of troops that India has sent out to the various theatres of war, but I only beg to remind the Council that India, since the outbreak of the present war, has contributed indirectly rather large sums of money to meet the financial responsibilities of the Empire. Sir William Meyer, in the Budget under discussion, has given us the figures by which we can see how the Indian army expenditure has mounted up during the last three years. In the year now budgetted for, we find our military expenditure, apart from our marine contribution, running to over 25 million pounds sterling. Indirectly, a large portion of it must be taken as a part of our contribution towards the war. And if, on the top of this, we have come forward to pay to the Home Government 100 million pounds sterling directly for the war, we think India will not have done badly on her part. I only hope that the bulk of this loan will be raised in this country, for in that case the interest on this money will come back to our pockets instead of going out of India. This is a matter which should be pressed very much upon the attention of all educated and patriotic men in this country.

"The Government seems to be at its wit's end in the matter of raising more revenue in this country, particularly at a time when money is so badly wanted on all sides. It appears to me a great pity that the Government has not so far cared to encourage the development of Indian industries, for it is an economic truism that an agricultural population can never contribute so handsomely to the State as a manufacturing and industrial population can. If India had been more advanced to-day than it actually is on manufacturing and industrial lines, it certainly could have come to the rescue of the Empire far more readily. I think it ought to be the first duty of the Government to encourage the development of industries in every direction, not only for the purpose of making India more rich and prosperous, but also to prevent the exploitation of our markets by different countries of the world. The Government should even be prepared to face English competition boldly, for Indian industries have got to be developed, competition with England notwithstanding. In this connection, I cannot do better than quote the following eloquent words of our Secretary of State: 'There will be more industries in India which will compete with our own. There must be. It is a political necessity for India. It is an industrial necessity for India. It is a social necessity for India.'

"In connection with the question of raising more revenue in India, I do not see why the Government of India should not again try to have as much revenue from opium as it can.

"I now turn to the expenditure side of the Indian Budget. It seems to me to be a matter for some regret that sufficient money is not spent under the head of irrigation in my province of Bengal. It may be, and it still is, true to some extent that Bengal is covered with a network of waterways, and that cultivation there depends more on the annual rainfall than on irrigation canals. I will take this opportunity to inform the Council that, for some reasons or other, the Bengal rivers are drying up, and that they are proving a source of double danger to the people of my province. The silting up of many of these rivers is causing malaria to spread far and wide and making navigation throughout the year impossible—thus hampering not to a small extent the development of commerce and the facilities of communications. If the Bengal rivers are well looked after, dredged and trained they should not only provide the people with the greatest facilities for cultivation, and the cheapest transport conceivable, but would also supply them with good and wholesome drinking water which they want so badly and at the same time prove an insurance against malaria.

"I quite feel that this is not the time for any of us to ask the Government for more grants for education and sanitation, though I am glad to find both Sir William Meyer and Sir Sankaran Nair willing to grant adequate sums of money for these primary demands of the people as soon as the war is over. In spite of the difficulties of the situation, it is gratifying to see Sir William Meyer giving a recurring grant of 30 lakhs of rupees a year to Sir Sankaran Nair to increase the efficiency of the teachers of primary schools. This is all the more welcome in view of the fact that not an inconsiderable portion of the money granted for primary education has hitherto been spent only on bricks and mortar and inspecting staff. I have no doubt that this recurring grant for the improvement of teachers of primary schools will prove a very healthy and notable departure.

"Speaking of education, I would beg of the Government to give their most serious consideration to three important matters. In the first place, Bengal badly needs an agricultural college; for Bengal, we are told in the last official report on the 'Progress of Agriculture in India,' has 'suffered severely in respect of systematic agricultural development.' If such a college has got to be established, Dacca would not be a bad place for it, as there is a big agricultural demonstration farm there already. At present, the college at Sabour, in Bhagalpore, is shared between the Bengal and Bihar Governments, and, being so far away from the centre of the Bengali-speaking people, it fails to draw many Bengali students. The second thing wanted is a grant for vernacular medical education in the different provinces of India, on which a Resolution was accepted by this Council not many months ago.

The third thing that I would urge upon Your Lordship's consideration is, that a portion of the grant on education should be ear-marked for the purpose of building hostels and boarding houses for students of the backward or untouchable classes, who, in many parts of the country, do not find accommodation in existing hostels on account of caste and religious prejudices.

"I am glad that Sir William Meyer has introduced a new sub-head in his present Budget in consequence of a promise made by him last year in this Council. This year sanitation is not included in the Budget under head No. '24—Medical,' but figures as a separate sub-head. This seems to be a due recognition of the claims of sanitation, and I hope this will soon prove to be one of the most expanding items of our public expenditure.

"I will now address Your Lordship very briefly on some questions of policy and principle apart from the Budget. I would invite the Government in the first place to give the new Munitions Board full powers to grant subsidies to Indian firms for the manufacture of all things necessary for the war. I would also ask the Government to do its best to revive the manufacture of salt in Bengal, Bihar and Orissa.

"I desire to thank the Government of India for the recent orders prohibiting Indian emigration.

"Your Lordship also deserves special thanks at our hands for the representation which you have succeeded in securing for India in the Imperial Conference that is to meet in London in a few days' time. As Your Lordship very pointedly observed in your opening speech at this Session of the Council, it is the first step that counts. We have no doubt that this will open out a new Chapter in our relation with England and the self-governing Colonies and Dominions, and will form the basis of a true partnership which will ultimately be a source of great strength to India, as well as to the other parts of the Empire.

"There is another matter to which I feel called upon to draw your attention. The Indian army have been much to the fore in the present war, and—irrespective of any considerations, pecuniary or otherwise—have shed their blood freely on the battle-fields of Europe, Africa and Asia. These men deserve to be treated by the Government with greater consideration than has hitherto been accorded to them. The question of the improvement of the status, position and prospects of the Indian officers and men of the Indian army is one that should have the immediate attention of Your Lordship's Government, and I hope, in this case at least, it will not be one of deferred hope making the heart sick.

"My Lord, at the conclusion of the last Session of the Council at Simla, I had the privilege and honour of heading the list of signatories to a memorandum which we felt bound to submit to Your Lordship on some post-war reforms. I will not anticipate the decision of the Government of India or of the Secretary of State in this matter, but I will remind the Government of India, in the pregnant words of Lord Hardinge, that 'it is only by the study of the welfare of the people and by the reconciliation of the administration with their awakening and legitimate aspirations that the foundations of British rule in India can be broadened and solidified."

The Hon'ble Raja Sir Rampal Singh:—"My Lord, it would be presumptuous on my part to pronounce an opinion upon the Imperial Budget—the first of its kind that has come up for discussion as far as I am concerned—by diving into its complicated and somewhat perplexing figures which, but for the lucid and exhaustive statement made by the Hon'ble the Finance Member, might have remained unintelligible to me in several portions. On this account only, if on no other, he is fully entitled to our gratitude which being uppermost in our hearts cannot but seek expression in words. The masterly manner in which he has grasped the situation, overcome the difficulties and managed the finances of the country during the current year, is worthy of high praise. These are most extraordinary times, and I consider in all sincerity that it is our good luck that we have in him such an able and sympathetic financier at the helm to guide our financial affairs. I know he has received encomiums and congratulations from every side, and I am sure he will receive many more on the

present occasion too, yet I feel I would be wanting in my duty if I failed to join in offering the meed of praise which he so richly deserves.

"My Lord, the exigencies of the abnormal situation resulting as a natural consequence from the gigantic war which Germany has unscrupulously waged not only against our beloved Sovereign, but also against all the well-established principles of morality and humanity demand very great sacrifices on our part, and we the people of India with one heart are willing unflinchingly to undergo them with the rest of the Empire. This is in India's own interest, and all sensible men fully realise it from the bottom of their hearts. I may assure Your Excellency, if any assurance be needed, that the most sincere love and devotion which we bear for our King-Emperor and the confidence and reliance which he reposes in us shall go in increasing manner to give us strength, fortitude and will to meet still greater hardships in the cause of the Empire till Germany is crushed and a victorious peace is restored to the glory of him whose subjects we take a pride to be. Signs are not wanting, the day does not appear to be far distant when the consummation of this end which India so passionately desires shall become an accomplished fact.

"My Lord, without in the least meaning to cavil at the new taxes that have been very judiciously imposed this year, I take the liberty to say that it is a matter of no small concern to us, specially the new Members of the Council, as it must be to Your Excellency, to have to pass in the very first year of our incumbency in this Council a Budget on fresh taxation basis. In a sense it is unfortunate. But, My Lord, that concern is not only assuaged but a feeling of satisfaction takes its place when we look upon the object in the interest of which fresh taxation has been resorted to. Taxation by itself is an evil, and no one will be inclined to give one's acquiescence to such a measure unless compelled by the justness of the object for which it is levied. It is the object which divests it from its evil aspect and makes it assume a beneficent character of becoming a source of permanent good to mankind in all their vital interests. What could be nobler, what could be better than the object the Government of India have in view in enhancing the taxes upon the country? It is nothing less than to provide for the liquidation of a debt which India impelled by a deep sense of duty is incurring in order to take a share in the war expenses of the Empire. It is in that light that the whole country has received the measure of enhanced taxation without any murmur or grumble. It is the making of our contribution that will soften the sting of taxation imposed and lighten its burden though not materially yet, to be sure, morally. No doubt it is a big contribution for poor India to make, but her duty towards the Empire and its people is also equally great, and so she offers it with a cheerful heart and shall endure the burden resulting therefrom with perfect equanimity.

"My Lord, I would wish that with the contribution a message of India should also go to our beloved Sovereign and the English people to assure them that though poor is the contribution—barely sufficient for fifteen days of war expenses—yet this is the most which she could with great sacrifice arrange to pay at the present juncture. Her heart is with them in full sympathy and the services of her sons are at their disposal.

"My Lord, there is one more redeeming feature in the taxation, and this is the increase in the import duty on cotton goods as incorporated in the Tariff Amendment Act. I hope similar steps will be taken for the protection and development of other industries as well. As for super-income-tax, I have my own doubts as to the justice of the high graduated scale of assessment that has been adopted and as to its effect on the Joint Stock Companies and the investment of capital in other industries, because capital is believed to be shy of coming out in this country. However, perhaps, that was the best form of taxation that could be thought out for imposition with a minimum of hardship and resistance. Your Excellency's Government have very justly afforded much relief by exempting 10 per cent. of taxable income from the operation of this Act.

"My Lord, we are very thankful to Your Excellency's Government and to Sir William Meyer for having refrained from imposing any extra tax upon

land, but there are some ominous words in paragraph 60 of the Budget Statement which give rise to some grave apprehensions in the minds of the land-holding classes of India, specially of those parts where unfortunately they are still liable to periodical enhancements of land-revenue. This is not the time to give expression to any protest, or to question the justice of the observations made therein. But, My Lord, it would not be out of place to invite consideration to a few facts which have a close relevancy and bearing on the import of the paragraph referred to. It is the land-owners who are maintaining and supporting many an educational and charitable institution in the country. It is they, My Lord, who always voluntarily come forward with such means as they command to take the most important share (I emphasise the word the) in financing all movements whether they be for the amelioration of the condition of the country or in the discharge of any duty that is imposed or devolves upon her whether in connection with famine, war or anything else. They have besides very important social, moral and religious obligations also which they cannot dispense with even at the cost of their properties over which their forefathers had shed not a little amount of blood in former times. Already heavily taxed, both directly and indirectly, and liable to periodical enhancements of land-revenue in some unfortunate provinces, and being the most loyal and devoted subjects of the Crown, I simply ask, would it be fair even at some future date to open the question of adding any more burden on a class that is rendering so many services to the Country and the Crown ?

"My Lord, it has given us very great satisfaction and we are sincerely grateful to Your Excellency's Government for having allotted the profits that have accrued from the sale of wheat to different provinces for the improvement of agriculture. It is the most important industry of India, and without minimising the economic usefulness of other industries which as compared with it must occupy a secondary place, I cannot lay too much stress upon its development. We are under a deep debt of gratitude to the Agricultural Departments, both Imperial and Local, for what they are doing in this direction. We are not ignorant of the difficulties which they have to encounter in impressing upon an illiterate mass of cultivators the utility of replacing the old orthodox system of cultivation by new improved scientific methods. The improvement can only be gradual and slow, and any impatience is liable to cause wastage. In order to further stimulate its development the need of the hour is to open at suitable places as an experimental measure some agricultural vernacular schools with demonstration farms attached to them for imparting instruction and training in primary and secondary stages of Agriculture. But, My Lord, no real progress will be achieved till periodical settlements will not be done away with and permanency in revenue demand will not be vouchsafed to the Provinces still not enjoying it, but this is a controversial matter and I refrain from saying anything more upon it. Your Excellency's speech on the occasion of the opening of the last Session of this Council at Simla has filled our hearts with great hopes for the future of the Agricultural industry of this country, and I beg to assure Your Excellency that the Taluqdars of Oudh and the Zemindars of Agra will do their best to co-operate with the Government in their most laudable efforts in this direction.

"My Lord, the solicitude which Your Excellency's Government have shown towards education by the allotment of Rupees 30 lakhs in a year when economy is the outstanding feature in most items of expenditure, is very gratifying, and shows that education shall never be relegated to secondary importance during Your Excellency's régime. This is not the time, My Lord, to bring before you the needs and requirements of the Province I represent, but I may be allowed to observe in passing that my Province is still very backward in education as compared with others.

"My Lord, it is a matter of considerable surprise that even after the testimony and recognition of responsible ministers and high functionaries the services of India in this war have been belittled in certain quarters. We Indians derive more consolation and delight in discharging the obligations than in enumerating our services with a view to get a reward for them. The battlefields of Flanders, East Africa, Mesopotamia and others will tell what India

has done in this respect. The war funds and numerous other contributions are not to be overlooked, and over and above all these some other important services shall never see the light of day.

"My Lord, I take the liberty to say that the landed aristocracy is at present helpless to serve the Crown by enlisting in the army because our youths cannot get commissioned ranks in it. The removal of invidious distinction that at present exists will not only give satisfaction, but will also impart an impetus to general recruitment as such enlistment conforms with the old traditions of India."

The Hon'ble Rai Sita Nath Ray Bahadur.—"My Lord, I listened with rapt attention and bated breath to the excellent speech the Hon'ble the Finance Member made the other day in presenting the Financial Statement before this Council; and I take this opportunity to congratulate him on the statesmanlike way in which he has steered the financial barque during this period of storm and stress. I may add that I have nothing but admiration for the alluring schemes he has prepared for raising the war loan. I wish I could also congratulate him on all the other provisions of the Budget. But it was not Sir William Meyer's fault that he has proposed to :e a heavy burden on the shoulders of the people. He has always been true to the interests of the country of his adoption, and nothing but unavoidable necessity would have promoted him to make the proposals he has put forward. It is in fact the extraordinary character of the situation which has rendered necessary the imposition of fresh taxes and an addition to the public debt of India

"The outstanding feature of this year's Budget is the contribution of £100 millions to the Home Government for the purpose of the war. The British Empire is now engaged in a life and death struggle, the like of which has never been witnessed before. It has entailed upon Great Britain huge sacrifices in blood and treasure, and India, as an integral part of the Empire, would have been lamentably lacking in a sense of duty if she had failed to realise the gravity of the situation and to participate in these sacrifices. Happily, India, at the very beginning of this struggle, stood firmly by Great Britain, and has ever since shewn by word and deed her determination to assist, so far as it might lie in her power, in pushing the war to a successful termination.

"Soon after the commencement of hostilities and at a time when the European situation was full of imminent danger, India promptly sent an army to France which helped in no small measure to stem the tide of Teutonic invasion. The Indian forces have since shown their courage on the battle-fields of Gallipoli and Mesopotamia. In addition to this sacrifice of her best blood, she has twice expressed, through her representatives in this Council, her willingness to bear her fair share of the financial burden of the war. The Hon'ble the Finance Member dealt in his first speech with the subject of India's financial contribution to the war during the last two years and a half. This includes the cost of the Expeditionary Forces sent to France, Egypt and Mesopotamia, a large expenditure incurred on account of the political situation in Persia created by the war, and a considerable additional outlay for the defence of the frontiers of India. Further, India had to strain her resources very seriously and to impose prejudicial limitations on legitimate trade activities, in order to finance very heavy charges in this country on account of the British Government, while she lent the latter large sums of money out of her Paper Currency and Gold Standard Reserves. To have a correct idea of India's financial contribution to the war, however, we must add to the expenditure incurred by the Indian Government and the monies lent by it to the Home Government, the voluntary contributions made by the princes which have been really princely, as well as by the people to the various Relief and War Funds, the total of which would reach a high figure exceeding many millions sterling.

"We are now called upon to make a further contribution, and we do not grudge it. This contribution has necessitated the raising of a loan and the imposition of additional taxes which cannot but press heavily on the people. There are critics who are inclined to regard the amount of contribution as small, but they conveniently forget the fact that India is a very poor country. As Sir William Meyer has pointed out, the £100 million we are contributing amounts to nearly double our total Imperial revenue as it stood before the war, and in view of the fact that Indian taxation has practically reached its highest limits, the amount of contribution must be regarded as a large one. To go beyond it would be to impose a burden much heavier than would be possible for the country to bear. In normal times the proposal to impose such a burden would have raised a howl of protest from one end of the country to the other, but on this occasion the people have acquiesced in it almost without a murmur.

"As for the different schemes of raising money, while we have accepted in the main the proposals of the Finance Member, we have thought it our duty to take exception to some of the details. The addition of 4 per cent to the existing duty on imported cotton goods has been hailed with satisfaction throughout the country. Although it will mean some slight addition to the poor man's burden, it will have a very salutary effect in stimulating the textile industry of Bombay and Central India, and it is to be hoped that the Government will preserve a firm attitude in the face of the agitation of Lancashire mill-owners. The doubling of the export tax on jute, which is an Indian monopoly, is not only economically defensible but is an eminently fair and wise measure. Although I am not in favour of a surchage on railway goods traffic which is likely to increase the prices of many articles of household consumption and will hamper the growth of mill industries situated at a distance from coal areas, I would not in view of the present situation hesitate to accept it. But I cannot help taking serious objection to the novel method of levying the super-tax. Section 5, sub-clause (7) of the Income-tax Act, 1886, provides that the whole income of a company or firm is liable to the payment of the income-tax, while the individual shareholders or partners are exempt. The Super-tax Act reverses this method of realisation, virtually exempting the companies and firms from payment of the super-tax and making only the individual shareholders and partners liable. The levying of a large war profits tax has generally been considered as very appropriate to present conditions and it was, if I am not mistaken, at one time seriously proposed to levy such a tax on the joint-stock companies which have made fabulous profits by reason of the present war. But the provisions of the Super-tax Act will have the effect of exempting much the greater portion of the profits of such companies, thus throwing the entire burden of the super-tax on the individuals who have not in any way profited by the war. I cannot regard this arrangement as equitable, and I fail to understand why the Finance Member, while closely following the principles of raising money which prevail in England, should have departed from them in this one respect. If the super-tax had been levied at the source instead of at the destination, much smaller rates than mentioned in the Schedule to the Act would have been sufficient to yield the required revenue. It is my honest belief that a combined super-and-income-tax rate of less than two annas in the rupee would have raised one and a half millions, and would have avoided the necessity of levying a tax at the exceedingly high rate of four annas in the rupee, which, I humbly submit, will sorely press on particular individuals. I gave notice of two amendments at the time of the passing of the Act, but as I did not want to embarrass the Government, I eventually withdrew them. I may now be permitted to express the hope that the matter will be carefully and sympathetically reconsidered next year.

"I am thankful to the Hon'ble the Finance Member for omitting land from further taxation. But there are some ominous words in his speech which indicate the possibility of land being taxed on a future occasion. I consider it my duty to tell the Government that any proposal to put a tax on land

will create great discontent, and such discontent will be all the greater if a burden is placed over and above the heavy burden of the super-tax.

"To impose a super-tax and then again to subject landed property to additional taxation in violation of the Permanent Settlement would be the height of unwisdom.

"The war loan arrangements announced by the Hon'ble the Finance Member have received our whole-hearted support. Both the long-term loan at Rs. 95 with an interest at 5 per cent. and the short-term bonds carrying an income-tax-free rate of 5½ per cent. are very alluring offers. I have always advocated a raising of the rate of interest of Government pro-notes. I have none but words of high commendation for the very tempting scheme of conversion which will go far towards reviving the drooping spirits of many holders of the 3½ per cent. Government papers. The post-office cash certificates will be very much appreciated by the small investors, especially those living in rural areas. I have no doubt there will be a large response to each of the three offers.

"My Lord, Your Excellency has advised us not to raise controversial issues at a juncture like the present, and we have loyally accepted the advice. But I should be wanting in my duty to my country if, at the time of the discussion of the Budget, I omitted to mention some of the most urgent needs of the country. These in my opinion are education, sanitation, agricultural improvement, and the development of industries. I am glad to find that it is proposed to make a recurring appropriation from Imperial revenues of Rs. 30 lakhs from the year 1917-18 for expenditure on the improvement of the pay and training of teachers. This is very good so far as it goes; but the extension of primary education is a need which is more pressing than any other; and for this purpose much larger grants than have been proposed to be made are required. The country has now for many years past demanded almost with one voice the introduction of a universal system of primary education. Lord Minto's Government informed us that a scheme of universal primary education was in preparation, but the public are unaware why this scheme was shelved. His Majesty, the King-Emperor, on the occasion of his memorable visit to this country, expressed his desire that every Indian home may be brightened by the lamp of knowledge, and it is the duty of the Government to fulfil this desire in spirit and to the letter.

"The question of sanitation ought, in my opinion, to receive greater attention from the Government than it has hitherto done. In some parts of the country, the villages have become so unhealthy that they are hardly fit for people to live in. This is specially the case in Bengal, where the ravages of malaria have turned flourishing villages into jungles. The Census of 1911 shows that the longevity of Indian life has progressively declined during the last three decades. This is a serious state of things which calls for immediate action. The sanitary policy of the Government has so far been one of tinkering, and their activities in this direction have been mainly confined to towns. What we now want is the adoption of large measures, such as the proper draining of water-logged areas, the supply of pure drinking water in rural areas and the reclamation of silted rivers.

"Agriculture and industry are subjects which vitally concern the people, and which should, as such, claim the earnest attention of the Government. 68 per cent. of the people of India are engaged in agriculture, and no less than 90 per cent. are directly or indirectly connected with it. But very little has yet been done by Government to improve agriculture. It is true that agricultural colleges and demonstration farms have been established in different parts of India; but these have failed to prove of much benefit to the people. To be useful, agricultural education should be such as may be taken advantage of by the actual farmer, and the work of the demonstration farms should be brought to the notice of the cultivator in a way which will be understood by him. The best kinds of seeds should be distributed broadcast among cultivators, and they should be encouraged to take to more valuable crops in preference to less paying ones.

"Although agriculture is now the mainstay of the people of India, yet the fact that it is dependent on the extremely uncertain factor of rainfall renders it imperative on the Government to diversify the occupations of the people as much as possible. The Government has, it is true, a Department of Industry and Commerce, but I am sorry to say that it has yet done very little to assist the development of Indian industries. Apart from the necessity of industrial growth for the solution of the poverty problem of India, the present war has clearly demonstrated the importance of local industries from the standpoint of national safety, and I hope the subject will receive immediate consideration at the hands of the Government.

"Before concluding, I regret to have to point out that even at this time of financial stress, the expenditure under the head of General Administration shows a steady upward movement. I may be permitted in this connection to raise my voice against the increase of expenditure proposed to be incurred by the Government of Bengal in partitioning districts and that against the wishes of the people concerned. This is a time when the strictest economy should be observed on every side, and I hope Government will not indulge in any expenditure which can be avoided."

The Hon'ble Captain Ajab Khan:—"My Lord, availing myself of this opportunity, when Members of this Council are accorded the privilege of speaking on all matters of public interest, I beg to thank Your Excellency from the bottom of my heart for having nominated me to this Council. My Lord, I am fully aware of the fact that I did not personally deserve this high honour and dignity of a seat in Your Excellency's Legislative Council, but in nominating me Your Lordship has paid a fine and well-deserved compliment to the loyalty and prowess of His Imperial Majesty's Indian Soldiers, who have ungrudgingly and cheerfully fought and shed their blood in every theatre of this present world-wide war. Therefore, on behalf of the Indian Army, I ask Your Excellency to accept the grateful thanks for the conferment of this unique honour on one of them. I hope that this direct representation, so wisely inaugurated by Your Excellency in the Supreme Legislative Council, will be permanently maintained.

"It is my pleasant duty also to thank Your Excellency and His Excellency the Commander-in-Chief jointly for having seen your way to enhance the pay of the Indian Officers and also allowing free rations to all ranks. Though these concessions to the Indian Army are not adequate enough, yet I shall be failing in my duty, if I did not express to Your Excellency and Your Excellency's Government our grateful thanks for what has been done, considering the period of stress and financial stringency through which we are passing. Here I may say that the thanks of the Indian Army are due to the Hon'ble Sir William Meyer all the more when one remembers how difficult it is in these times to get even a small sum from that vigilant guard of the Indian finances.

"My Lord, as a representative of the Indian Army, I will now take the liberty of making a few brief suggestions. The accommodation of the Indian Army, I must frankly say, is far from being satisfactory, and when normal times return, I shall ask that the huts which accommodate the Indian units in most stations should no longer be allowed to exist and be replaced by well-lighted and comfortably furnished pucca barracks, with paved floors, suitable verandahs and ablution rooms.

"My Lord, next I come to the most important question of promoting Indian officers without distinction to higher and more responsible posts. I do not wish to go into larger aspects of this question at present; but will certainly ask for prompt reward in the shape of promotion for meritorious services of those officers who are in the service, and who have either conspicuously distinguished themselves in the field or have secured a good record of service, and are fit for advancement. From my life-long experience of the Indian Army, I can safely say that a good many Indian officers are capable of doing much more and exercising larger powers with credit than those with

which they are entrusted under the existing system. The Indian Army is the oldest and the foremost of all the other services of the Indian Empire; but in matter of reforms and privileges, I am sorry to say, is last of all. It has done its part gloriously in the present war in the midst of civilised nations, and its elevation to the status of civilised army in all its details is only just and fair.

"My Lord, the position of India must change and is changing, and I therefore suggest, for the serious consideration of the Government, the formation of a territorial Army, Navy and Air-Service.

"My Lord, the farmers of India make the Indian Army, and those among them who are not fit for military service take to the cultivation of the soil and pay the land-revenue, which is the chief source of income to Government. So in India although the peasantry form the most important class for the benefit of the country and the Government as soldiers and tax-payers yet they have a very little share in the blessings that Government can confer on them, such as the light of knowledge, share in Government posts, extended terms of land settlement and so forth. I hope special attention will be paid by the Government to these matters for the betterment of this class."

The Hon'ble Rai Bahadur Bishan Dutt Shukul:—"My Lord, I desire to express on behalf of myself and my constituents my warmest congratulations to the Hon'ble the Finance Member for presenting a decent Budget.

"More than two years and a half have elapsed and the Empire is still unfortunately in the throes of a world-wide war. All of us realise fully the magnitude of this deadly struggle. We know this is a fight against a most desperate foe, and that victory cannot be achieved without stupendous efforts and sacrifices on our part, of which Your Excellency may fully rest assured. The recent progress made by the Indian Expeditionary Forces in the fight in Mesopotamia and their gallant entry into the city of Baghdad, has not only filled our hearts with joy and pride, but has also inspired us with hopes that the final triumph is not far remote.

"My Lord, the present year's budget is like its predecessor a War-Budget, and the measures proposed have, under the exceptional circumstances, received full acquiescence in this Council and the country at large. Its most conspicuous feature is India's contribution to England of £100 millions. I am perfectly conscious of the serious responsibilities the Members of Your Excellency's Government are incurring, by committing this poor country to the huge burden of 100 million pounds, a burden which, as we all know, will tell heavily upon the limited resources of the tax-payers, and which will result in the indefinite postponements of several urgent reforms, which the country badly stands in need of. But under the present circumstances, this is unavoidable. Hence, India has ungrudgingly taken her share in the heavy burden imposed upon the finances of the United Kingdom by this unhappy war. The announcement of the new Indian war loan has been welcomed by the whole Indian public, as a fresh opportunity afforded to them for discharging their duties towards their Sovereign and the country.

"My Lord, with regard to the imposition of the additional taxation, I must say that the raising of the import duty on cotton-goods from $3\frac{1}{2}$ to $7\frac{1}{2}$ per cent. has removed a long standing grievance. The indigenous industries will receive thereby an impetus which, I am sure, the country will not fail to take advantage of. I hope that as soon as circumstances will permit, the question of the abolition of the countervailing excise duty on cotton will be fully considered and the duty be abolished ultimately. The unsympathetic and uncompromising attitude taken by the Lancashire representatives and their supporters in the British Parliament has evoked a feeling of deep regret and keen disappointment in this country. We are obliged to the Home Government, and especially to the Secretary of State, for the firm stand made by them in the face of such a powerful opposition, on behalf of the interests of India, and it is earnestly hoped that when the whole fiscal policy of the British Empire and

its constituent parts will come up for reconsideration, this attitude will be firmly maintained.

"My Lord, the military expenditure shows a very large increase, and in view of the gravity of the present situation, it is quite justifiable. It has been found necessary to constitute a large force for the safety and defence of the Indian Empire. The very first year of Your Excellency's Viceroyalty will ever remain memorable for having conferred upon Indians the special privileges to enlist themselves as volunteers, and regular recruits in the Defence Force of the Empire. The introduction of this reform in the military policy of the Government has been hailed with joy by the whole country, as an additional tribute to the loyalty and heroism displayed by Indians in the cause of the Empire at this crisis. It will not be unreasonable to entertain the hope that the claims of Indians of approved merit and respectability to obtain commissioned ranks in His Majesty's army would be received with sympathetic and immediate consideration by the Government of India. This will certainly give an impetus to the youths of aristocratic classes to join the army, as suggested by our Hon'ble colleague, Raja Rampal Singh.

"My Lord, it is a matter of no small satisfaction and pride to us all that the services hitherto rendered by this country to the very best of its humble powers and limited opportunities have received the appreciation of His Gracious Majesty, the King-Emperor, and his Ministers. We are specially indebted to His Majesty's Government for having given opportunities to Indian representatives to assist the Right Hon'ble the Secretary of State in the deliberations of the Imperial War Cabinet, which is now holding its sittings in London It would be permissible to express the hope that India's position in the Empire after the war would be such as to meet her legitimate aspirations and that she will be given a more direct and potent voice in the Council of the Empire befitting a position of dignity and trust.

"Although the needs of my provinces, My Lord, are many and pressing at the same time, and more money is required to meet them than the present allotments made, yet I would not like to weary this Council by making any lengthy remarks on the Budget and its details, as it is evident that this is not the proper time to press for larger allotments for any specific purpose. Of course, I note with pleasure and satisfaction that sanitation has been allotted a separate head for itself in the Budget. It was but meet and proper that sanitation and agriculture should have been treated under separate heads long ago. These two departments are very important indeed, as theirs is the most onerous task of improving the general conditions of the masses, upon whose prosperity depends a good deal, the prosperity of the whole country. It will now be possible to see at one glance how much money is spent on them, and what progress they respectively make. I am sure that, when the war terminates, these departments will receive more attention from the Government of India, and that larger sums will accordingly be provided for strengthening their resources. I am very grateful to our Hon'ble colleague Sir Claude Hill, who happily presides over the Department of Agriculture, especially for his having expressed a desire to convene a Conference consisting of officials and non-officials to discuss and decide the line of action on which the Agricultural Department should hereafter proceed. I hope the outcome of the deliberations of this Conference will be a forward agricultural policy to be adopted by the Government of India, without which it would be futile to expect any substantial results to be achieved by the Agricultural Department in this country.

"My Lord, there is one particular remark in the Financial Statement to which exception could be taken, and to which attention has already been drawn by speakers more than one. I mean, the statement relating to land assessments, in paragraph 60, namely, that the 'Government do not in any way admit that any land-revenue assessments are other than most moderate.' This statement, I am afraid, will create much uneasiness in the minds of the land-holding classes especially, as they take it to be quite the other way. In their opinion, the pressure of land-revenue assessments in this country,

whether considered in the light of their incidence on population or cultivated acreage is unduly excessive. I do not wish to dwell at length upon this question and raise any controversy. I shall simply say that it is quite unfortunate that there should be such a wide divergence of opinion on this important point between the Government, on the one side, and the people directly affected by it, on the other.

"My Lord, it would be in conformity with the general wishes of the people if some sort of fixity could be given to the Government demand on land, by embodying the main principles of assessment in the land-revenue code of the various provinces, as recommended by the Royal Commission upon Decentralization. It is a matter of regret that the recommendations of the Commission have not been accepted by the Government of India, as is evident from their Despatch, dated 30th June 1910, addressed to the Right Hon'ble the Secretary of State on this subject which has been lately published, and has aroused a feeling of keen disappointment. This is a matter, My Lord, which, I submit most respectfully, deserves reconsideration. Unless this is done, the Local Governments' discretion in the matter of land-revenue legislation will always remain fettered. It is only lately that the Central Provinces Land Revenue Bill was on the legislative anvil. Various representations were submitted to the Local Government by the different public bodies praying for the incorporation of the principles of assessment in the Bill. The non-official Members of the Council urged strongly for the same. But the Local Government seemed to have had no help, and the legislation had to be carried through in the teeth of opposition.

"My Lord, we the landholders are specially indebted to the Government of India, and the Hon'ble the Finance Member for not imposing any additional taxation on agricultural incomes for the time being. But the statement that the Government cannot give any pledge to refrain from doing so hereafter has made the land-holding classes rather nervous, as has just been pointed out by my esteemed colleagues, the Hon'ble Maharaja of Kasimbazar, and the Hon'ble Rai Sitanath Bahadur. This statement has already given rise to some unpleasant controversy in the permanently settled tracts of the country. Speaking particularly about the Central Provinces, which I have the honour to represent in this Council, and which is not endowed with the benefits of permanent settlement as yet, the economic conditions of the agricultural classes is pitiable. The struggling cultivator with his resources all but exhausted, and heavily indebted, is hardly able to make both ends meet. It is well known how the general poverty of the agriculturists has been a great obstacle in the way of the general progress of our country In view of this, any attempt made in the future, to levy fresh taxes upon agricultural incomes would, I am afraid, cause much hardship, and would also prejudice the cause of advanced agriculture in which the people have just begun to take interest.

"My Lord, before I conclude I take this opportunity to express to Your Excellency our gratitude for having restricted emigration of labour from India by amending the Defence of India Act, as a war measure. I take this to be an earnest of Your Excellency's sincere desire to abolish the indentured emigration altogether for which the whole country is so eager."

The Hon'ble Raja Rajendra Narayan Bhanja Deo of Kanika :—My Lord, in the first place I desire to compliment the Hon'ble the Finance Member on the eminently satisfactory way in which he has discharged his highly difficult task of framing this year what is essentially a War Budget. From a glance at the proceedings of last year's Council in connection with the Budget, I notice that at that time some Members claimed that last year's Budget was a War Budget. But I do not think it necessary to emphasise in the least the point, that compared with the Budget of this year, that of last year was not abnormal in any sense. In that respect the Budget of the year 1917-18, will, I venture to think, for a long time to come continue to be one of

the landmarks in the financial history of this country. The two most outstanding features of this year's Budget to my mind are the proposed contribution of £100 millions by India to the general cost of the war in which the Empire is engaged, and the determination by the Hon'ble Sir William Meyer of the ways and means by which the recurring cost of the contribution is proposed to be met. Another important feature of the Budget of this year, which strikes me, is the sudden increase in the figures both on the Revenue and Expenditure sides of the Budget, so that henceforth our Budget figures, which were in the neighbourhood of 80 millions sterling only in 1915-16, now by a leap come almost up to £100 millions in 1917-18.

"Now, My Lord, I shall offer a few observations on some of the outstanding features of the Budget of this year, and shall conclude my remarks with a few further observations on some leading questions of the day.

"My Lord, the first and foremost thought which arises to the mind of every Indian on reading the Financial Statement of this year will be a feeling of supreme satisfaction at the splendid direct contribution of £100 millions which India is going to offer this year to the cost of the titanic struggle which is still convulsing the world, and in which struggle India is as vitally interested as any other part of the great British Empire. My Lord, there have been critics both here and in England who have never failed to express their disapprobation at what they termed, the 'niggardly part,' India was playing in this war. But, I trust, the Hon'ble Sir William Meyer has disposed of the captious criticisms of these arm-chair critics most effectively, and has been further able to prove to the satisfaction of all reasonable people that so long India has not failed to do her 'bit' and with the improvement in her financial outlook, she proposes this year to contribute that by no means inconsiderable sum, not forgetting, of course, India's very limited resources, of 100 millions sterling as her direct financial contribution to the cost of the war in which the Empire is engaged. Apart from this proposed direct contribution, the Hon'ble Sir William Meyer has most convincingly shewn, while dealing with the subject of India's financial contribution to the war in the body of the Financial Statement, in what other ways India has been of very great help to England in her hour of need. My Lord, speaking for myself, I will say this—that this contribution by India of 100 millions sterling towards the cost of the war, though it will entail a permanent recurring charge of £6 millions every year on the revenues of India, and though it has already resulted in enhanced taxation, will, in spite of our increased burdens and obligations, still be hailed by all classes with feelings of satisfaction for having done our duty by the Empire to the best of our ability.

"While on this part of the Budget, I take this opportunity of expressing my entire approval of the arrangements for the new War Loan. I can only hope that with such attractive features to recommend it, combined with the enthusiastic patriotism of the people to prove their loyalty in some practical form, this year's loan will not only be a huge success that it deserves to be, but will at the same time be somewhat of an epoch-making event in the financial history of the country.

"Next, turning to the new scheme of taxation, I may say at once that the general features of this new taxation have been acceptable to the people at large. My Lord, we must all congratulate the Hon'ble the Finance Member on his having realised the wisdom of not adding considerably to the burdens of the poor.

"My Lord, I must say that we are all sincerely glad that the poor man's burden has not been increased in the shape of a further increase in the Salt tax.

"My Lord, while on this part of the Budget, I cannot refrain from offering a few observations in respect of the warning which the Hon'ble Sir William Meyer has held out to all connected with land in India. It cannot be supposed that I, as the representative of the Landholders of the Province of Bihar and Orissa, should at this juncture fail to acquaint Your Excellency's Government

with what we, the representatives of the landed interests in this Council, seriously think of the threatened cess on land. The land-owning classes and the cultivators of the soil all over the country have been given to understand in no uncertain terms that their turn may be coming next. My Lord, before any further step in this direction is taken, I would most earnestly ask Your Excellency's Government to think of the consequences such action may entail. It is not denied, My Lord, that land-revenue assessments in all the temporarily settled areas have already reached a limit beyond which they cannot legitimately be pushed without trenching on the cost of living of the cultivators. With regard to the permanently settled areas, we have the plighted word given under the most solemn conditions of the British Government that the assessment on the lands in such areas are fixed in perpetuity. In view of such a solemn pledge given at the time of the permanent settlement, I cannot see how the Government can afford to talk lightly of imposing fresh cesses on land in the permanently settled areas also. I, therefore, hope and trust that Your Excellency's Government, having regard to the very wide and far-reaching issues at stake, will be impressed with the extreme inadvisability of further enhancing the existing burdens on the land. My Lord, in this connection may I suggest a rather handy and useful source of income to the Finance Member, weary as he is with his vain exploration after tapping further sources of revenue ?

"A very useful and at the same time effective method of securing a respectable amount of revenue, to my mind, lies in the imposition of a suitable export duty on all the raw cotton that is taken out of India. It will have the desired effect of securing a much welcome addition to the revenues of India, besides affording an appreciable assistance to the cotton industry of India.

"My Lord, the question of indentured labour is just now agitating the public mind of India. I shall be failing in my duty if I also did not join in this chorus of condemnation against its continuance. It is to Your Excellency that we look up to do away with this system, which, it has been so convincingly proved, is fraught with so many moral evils. This pernicious system should be done away with by the civilised British Government without the slightest hesitation, if on no other grounds, at least, on the ground of the moral evils that it engenders.

"My Lord, one word more, and I shall have done. I cannot conclude my remarks without expressing my fervent hope that the new Indian Army, which is being raised under the recent Defence Force Act, will come up to the expectations of the authorities, and that patriotic Indians will offer themselves in their thousands in this hour of need of the Empire. But at the same time we cannot but hope that Government will not fail to attract Indians to this new army by reposing their trust in them and by conferring commissioned ranks on proper and eligible Indian youths."

The Hon'ble Khan Bahadur Mian Mohammad Shafi :—
"My Lord, it must naturally be a source of great gratification to Your Excellency that, on the conclusion of the first year of your high office, the Hon'ble the Finance Member has, in spite of the abnormal conditions created by an unparallelled world-conflagration, been able to present to this Council a revised Financial Statement for 1916-17, with a balance amounting to £5,988,700. The causes which have brought about this increase in the last year's surplus to an amount exceeding over six times the estimated figure were fully explained by the Hon'ble Sir William Meyer, and speak well not only of the financial stability of India, but also of the efficiency of our Administration. And the Budget for the ensuing year furnishes an additional proof of Sir William Meyer's skilful handling of our financial resources, providing as it does not only for the ever-increasing needs and requirements of the vast Indian Empire, but also for the payment of interest on, and a sinking fund for, the great Indian War Loan

through a wise scheme of taxation, the incidence of which falls mainly on the wealthier classes who can well afford to bear it. The enhanced tax imposed upon imported cotton goods has been universally acclaimed in India, and it is not surprising that the little Englander attitude adopted towards it by the Lancashire representatives in the House of Commons has been emphatically condemned by all shades of public opinion, Indian and Anglo-Indian, in this country. As was rightly observed by the Right Hon'ble the Secretary of State, for whose strenuous advocacy of India's just rights we are deeply grateful, the position hitherto accorded to cotton was a great injustice to India. This selfish and unjustifiably over-anxious solicitude of the Lancashire clique for safeguarding the trade interests of a few towns in entire disregard of the wider interests of the Empire displays a narrow-minded craze for self-aggrandizement entirely inconsistent with the new spirit of imperial patriotism which is awakening new impulses and strengthening the imperial bonds in all the outlying dominions of His Majesty, the King-Emperor. The enactment in question has already become a part and parcel of our Statute-book, and I am perfectly confident that Your Excellency's Government, as trustees of India's interests, will resist any efforts that may be made hereafter for the restoration of a state of things which was not based upon any principles of justice and constituted an unjustifiable interference with the industrial development of this country.

"My Lord, the one outstanding feature of the Financial Statement is, of course, the announcement of the offer, made by our Government, of India's War contribution amounting to 100 millions and its acceptance by His Majesty's Government. Doubts have been expressed, in a certain quarter, of the legality of the offer made on behalf of this country, but a careful perusal of sections 20 and 22 of the Government of India Act leaves, in my mind, no manner of doubt whatever that the action taken by Your Excellency's Government is perfectly within the letter as well as the spirit of the Statute; and it is abundantly clear that an almost universal chorus of enthusiastic approval of this contribution has been heard in every nook and corner of India. The community which I have the honour to represent has, through a Resolution adopted unanimously at a general meeting of the Punjab Muslim League, acclaimed the action taken by the Government of India. Indeed, proud as the Indian peoples are of our country being an integral part of the great British Empire, they not only sincerely appreciate, in their true significance, the manifold privileges of British citizenship, but are also ready and willing to take up the corresponding burden of responsibilities they may be called upon to bear. In this world-crisis, when the Empire has espoused the cause of righteousness and civilization, when a militant race athirst for world-dominion has crushed weaker nations under its iron heels and trampled ruthlessly upon all laws of humanity, India is as ready to put her shoulders to the wheel as any other part of the Empire in order to bring this terrible war to a successful end. Your Excellency may rest assured that, comparatively poor though it may be, the Punjab will bear its share of the financial sacrifice which India is called upon to make in the same willing spirit in which it has already contributed to the man-power of the Empire in its gigantic effort to crush an unrighteous militarism that has brought untold suffering and misery upon millions of human beings in all parts of the globe.

"My Lord, eighteen months ago during the Simla Session of 1915, I had the honour of moving, in this Council, a Resolution advocating India's participation in the Imperial Conference which was, at the time, accepted by His Excellency Lord Hardinge's Government, and received the promise of careful consideration from His Majesty's Government in England. It is naturally a source of profound satisfaction to me that the claim, then put forward on behalf of my country, has now been finally recognised by His Majesty's Government as well as by the various self-governing colonies. As I said on that occasion, 'the comradeship on the battlefields of three Continents between the British, Colonial and Indian soldiers has not only removed groundless misconceptions and brought about mutual confidence and understanding, but has sealed with blood

for all time this renewed compact of fellow-citizenship of a great and glorious Empire.' That renewed compact of fellow-citizenship has now been formally sealed. India has, at last, been admitted into the Imperial Federation, and I am deeply thankful to have rendered this humble service to my Motherland.

"My Lord, the galaxy of nations and countries constituting the Empire of Greater Britain may well be likened to a joint family in which Great Britain occupies the position of a *Karta*. This great family has, no doubt, its domestic problems requiring satisfactory solution; its members have their individual grievances calling for early redress. In our own country we have not only our Indian problems, but also our provincial questions, a proper settlement of which, if faced in a spirit of broadminded statesmanship, is calculated to strengthen the permanence and stability of the British Rule in India. But, My Lord, is it wise, is it right for the members of such a family to waste their time and energy in the discussion of their domestic differences when a band of dacoits is hammering at the gates of the family mansion and trying to scale its walls for the purposes of massacre and plunder? This is not the time for the discussion of vital problems, constitutional and administrative; this is not the period for embarrassing Government in their all-absorbing efforts to bring the war to a successful issue, to guard the frontiers of India against foreign aggression, and to maintain law and order in the country itself. Indeed, we have our Indian and provincial problems to solve; we have our legitimate aspirations and needs to place before the Government; but the time for their discussion is not yet. When the Teutonic Powers have been brought to their knees and the clash of arms is hushed, there will be time enough to turn our attention to the solution of our domestic problems. Till then it behoves us to sink our differences, to hush the voice of discord, and to unite with the Government in carrying out successfully the one gigantic task that lies before us. My Lord, it is in this spirit that I refrain from a discussion of our internal political problems to-day. Far away above the distant horizon I see the bright glimmering of a glorious dawn which, with the complete annihilation of German militarism, is sure to be the harbinger not only of international peace and good-will, but also of a firmer and more compact solidarity of the greatest Empire known to history."

The Council adjourned for lunch till 2-30 P.M.

The Hon'ble Mir Asad Ali, Khan Bahadur:—"My Lōrd, I should like to join my Hon'ble colleagues in heartily congratulating the Hon'ble the Finance Member upon the remarkably satisfactory Budget he has presented to the Council. Without raising such additional taxation as may fall heavily on the vast bulk of the Indian population, he has steered his way clear through the Financial Statement for 1917-18, and presented a War Budget that has already met with the general approval of the country.

"We are still passing through a grave international crisis. We feel and realise more and more the burden of the greatest war of modern times. The war has not only paralysed our industrial and commercial activities, but affected in some ways the peaceful progress of the country. We are at one with the Government in the firm determination to see the war through to a successful and glorious end. Like the burning wick that emits a bright flame before its final extinction, the enemy's last efforts seem to be formidable. But fortune has smiled on the Allies who are now within sight of ultimate victory. India, My Lord, I need hardly assure Your Excellency, is still willing and prepared to render to the British Empire all possible loyal assistance in men, material and money, and earnestly prays for the complete success of the British arms in this world struggle.

"The Defence of India Bill, though it be a temporary measure, is an enactment of far-reaching importance. It is an epoch-making event. A beginning, and a right beginning, My Lord, has been made. Military Service is now thrown open, particularly to respectable classes and educated Indians

who are desirous of proving their loyalty on the battle-field. Indian volunteering, too, of which so much has been said on the public platform and written in the press, has by a stroke of the pen become a reality. It affords an excellent military training, at any rate during the war, for our spirited young men and patriotic citizens. Both on my behalf and on behalf of the Moslem community whom I have the honour to represent in this Council, I beg to offer Your Excellency and Your Excellency's Government our deep and grateful thanks for the timely introduction of this noble measure. I do hope and trust that commissioned ranks will soon be thrown open to Indians, and that the Defence of India Act will after its short duration become a permanent measure to adorn the Indian Statute-book.

"I do not venture to discuss the War Budget, nor can I possibly digest the Financial Secretary's able memorandum in a couple of days. I may, however, be permitted to make a few observations more or less pertaining to the Budget.

"The War Loan has been well received throughout the country. It might have been made more attractive in order to catch popular imagination, either by the institution of prizes as the *Madras Mail* suggests or by some such means. Besides, India's war gift of a hundred million pounds to His Majesty's Government, small as it may seem, is yet another indication of India's readiness to bear cheerfully the burden of the Empire. To those ignorant and carping critics who are not quite satisfied with the part India has played in this great war, I need only refer to the Budget speeches of the Hon'ble the Finance Member, and the recent speech in the Council of my esteemed friend, the Hon'ble Pandit Madan Mohan Malaviya. In fact, India's gift of £100,000,000 is really worth about twenty times what it actually is. Is not the average income of a Britisher getting £40 per annum twenty times more than that of an Indian who gets less than £2 per annum ? That a poor country like India should have already rendered so much aid in men, material and money is in itself an unmistakeable proof of India's desire to play her part as well and worthily as the self-governing Dominions, and of India's hope to deserve an equal and honourable treatment in the Councils of the Empire.

"It is indeed satisfactory to note the progress during last year of education in general and Moslem education in particular. We are deeply thankful to Government for making a special-recurring grant of £200,000 for improving the training and pay of teachers in primary and secondary schools. But for the war education, the crying need of India, might have made still greater progress during the last two years. My Lord, education and sanitation should continue to receive the same attention as during your predecessor's regime.

"As for the new taxation proposals, they have been well thought out, so that the burden of taxation falls upon the classes who can bear it best. At the same time it cannot be forgotten that the poorer classes too contribute their own quota to the raising of additional revenue. The enhancement by 25 per cent. of the duty on salt last year and the surcharge on railway goods traffic this year at the rate of one pie per maund on coal, coke and firewood, and two pies per maund on other articles, though sitting lightly on the poor, are also well-devised expedients to get their share. The raising of duty on imported cotton goods and in respect of jute exports is welcome. But the continuance of the cotton excise duty will no longer be tolerated, especially in view of the attitude of Lancashire manufacturers as was evident in their recent deputation. A handful of Lancashire politicians in the House of Commons evidently want to control the fiscal policy of India. In this connection, I desire to express our heartiest thanks to the Secretary of State for India for his staunch advocacy of India's cause and able defence of India's case. It is high time, My Lord, that Indian public opinion should express itself in strong and unmistakeable terms against the impost of the cotton excise duty, and urge the Government to abolish it as soon as the war is over.

"While the war lasts the growing public expenditure, especially military expenditure, has to be met with from the revenues of the country. The announcement in the Financial Statement of the probable imposition

of additional taxation on agricultural incomes, if future necessities demand it, is likely to create apprehensions in the minds of the agricultural classes. Instead of taxing agricultural incomes, our import tariff rates may be revised further and enhanced for the benefit of India. I may also suggest in the event of absolute necessity the desirability of raising the postage commission on money orders, and charges of telegraphic messages. Besides, if the Hon'ble the Financial Member believes in a policy of retrenchment, he ought to be able to show less public expenditure. While he is too cautious or over cautious in estimating figures on the revenue side, his caution on the expenditure side tends perhaps towards increased expenditure. As I suggested last year, economy may be introduced under the heads of 'Salaries and Expenses of Civil Departments' and 'Miscellanous Civil Charges.' In these and other ways sufficient additional revenue can be raised without interfering with agricultural incomes, except perhaps in permanently settled tracts.

"The recent announcement of the temporary prohibition during the war of Indian indentured labour emigration to the Colonies and other parts of the Empire has filled the public mind of India with no small satisfaction. Our grateful thanks are due to Your Excellency's Government for this statesmanly act. The thorny question of Indian indentured labour has long engaged the serious attention of both the Government and people. Public opinion in this country and elsewhere has strongly condemned the ruinous system of indentured labour accompanied by degradation, immorality and vice. The time has come, My Lord, when this wicked trade should cease to exist. This temporary measure, I sincerely hope, is but the forerunner of the eventual prohibition altogether of the indenture system.

"The war has given India a splendid opportunity for improving her economic and industrial condition. But the Indian market has unfortunately been allowed to be captured either by neutrals or Allies, so much so India is unable to withstand the undesirable entry of foreign exploitation and compete fairly with foreign trade, even as regards the articles of manufacture formerly imported from the enemy countries. Had the Government of India been more on the alert and more determined, they would have pursued a truly liberal and sympathetic policy towards the industrial regeneration of India. The future greatness of this country depends to a very large extent upon her industrial and commercial expansion without which the country can never hope to thrive or prosper in the modern sense of the term. To wait till the labours of the Industries Commission are finished and till their final report sees the light of day is to miss a golden opportunity to create an industrial India. The Government will therefore do well to take early steps to devise workable plans for starting and aiding indigenous industries, and establish technical and industrial schools at important centres. My countrymen hope that, if the war be over this year, Your Excellency's regime will be associated with large industrial schemes forming the main item on the administrative programme. A prosperous India, My Lord, will be a valuable asset to the British Empire."

The Hon'ble Mr. Kamini Kumar Chanda:—"My Lord, taxation being inevitable in view of the heavy charge of the war contribution, the Hon'ble the Finance Minister has earned the gratitude of the country by trying to make it as inoppressive as possible. He has not knocked at the poor man's cottage and asked for his cowries, but called at the mansion of the rich and demanded his gold. There was undoubted temptation to him to have further added to the poor man's burden by taxing his salt which is a prime necessary of life and to quote Professor Fawcett, should really be as free as the air we breathe and the water we drink, but which nevertheless is at present heavily taxed. We really feel grateful to Sir William Meyer that he turned a deaf ear to the incessant suggestions that were made to him to further tax salt; we also feel grateful to him that he has by increasing the import duties on cotton goods tried to satisfy a demand which has long been made on behalf of

India to afford some protection to the Indian cotton trade. Although the Excise duties on Indian cotton goods are still there and it can hardly be claimed that any real protection has been afforded still the imported article being more heavily taxed than the home-made one if there were other favourable conditions it would go some way to protect the latter and for this tardy act of justice we feel grateful. We must not overlook the fact, however, that unless this apparent preferential treatment of the Indian cotton industry forms part of a well-considered and definite fiscal policy of protecting the Indian trade, such piecemeal tariff legislation would not in any appreciable degree benefit it. If, on the other hand, it is resorted to, simply because it is demanded by fiscal exigencies, it would merely be an indirect tax on the consumer on whom it would ultimately fall and result in an immediate enhancement of the price. One would willingly pay more for an imported article to-day if this leads to a development of his country's trade as he would derive a greater benefit in the future. He would in fact be paying a premium of insurance in favour of the infant industry. This pre-supposes that there will be facilities in the country for the home trade, that as regards the cotton industry there will be a sufficient quantity of raw cotton available. But there is no export duty on raw cotton and as it is impossible to get any machinery now and coal is becoming dearer and dearer, and there is a decrease in the import of long-staple cotton and bleaching articles and unless therefore an export duty be put on raw cotton, the Indian mills cannot derive full benefit of the enhanced import duty on cotton goods. To give real protection to Indian trade there must not only be an export duty on cotton, but the excise duty on Indian cotton goods should be removed in so far as it is not required for fiscal purposes. This would mean the adoption by the Government of India of a definite protective fiscal policy which we trust will be done. If instead of this, however, there is any disposition to remove the extra import duty after the war as the extraordinary selfish demand of Manchester recently put forward makes us apprehend, it will be a grievous and double wrong to India. It is necessary to sound a timely warning. Great is Manchester, My Lord. Manchester is the real author of the mandate theory which has deprived the official Member of the freedom of his judgment in voting. We have serious misgivings as to what will happen in this matter after the termination of the war. The short-sighted and unpatriotic selfishness of Lancashire members has succeeded in inducing the Parliament to accept the addendum of Mr. Asquith to reconsider the question of this additional import duty after the tormination of the war. My Lord, it will really be disastrous if as a result of this there is any attempt to remove extra duty on any pretext. Loopholes there will be many, for instance there can be no doubt that the Budget errs on the side of over caution, and that receipts have been underestimated—excess receipts over estimates may thus furnish a loophole. But if this really comes about, there will be the strongest indignation in this country and the non-official Members are bound to receive a mandate from the people to have the whole question of India's war contribution re-opened. This contribution of £100 million and the provision therefor made in the Budget in the shape of receipts from the new taxes are inter-dependent on each other as the Secretary of State has shown in his reply to the Lancashire deputation for which we are deeply grateful to Mr. Chamberlain. People in England cannot realise, My Lord, the sacrifices which India has made for the war. It is the colossal ignorance of the English people about the real facts that is the cause of all tall talk of sacrifices made by the Colonies as compared to India. It is forgotten that the rich colonies have given out of their superfluities, that they have in fact merely parted with a fraction of the huge profits they have made out of the war, while poor India has given out of her necessaries and has now by her latest contribution in the shape of this money gift absolutely crippled her resources for more than one generation.

"It seems to be ignored that India has throughout maintained 75,000 British troops at a huge cost in addition to Indian troops. What has been the cost of this army? It is no less than £21,000,000 against £1½ million spent by Canada for an army of 3,000 men and £1¼ million spent by Australia in

maintaining an army of 2,500 men. Then, again, India has given £50,000,000 in stores, service and supplies and has lent from her reserves £27,000,000. India has paid for training of English soldiers enabling Great Britain to hold large reserves of men, no less than 400,000 of these men having been trained at the cost of India. It is not in a spirit of bragging that I recount all this, nor with the object of protesting against the contribution or the amount thereof, but only to expose the misrepresentations about India published in the English Press. We have willingly agreed to the contribution which the Government offered on our behalf and in our name to England, though this means that our resources will for years to come be absolutely crippled. We feel that our duty to the Empire requires it. It is our utmost that we have given and may under circumstances be beyond our capacity to bear. But at the supreme moment in the crisis in the history of the Empire all other considerations must be laid aside. We must shed our last drop of blood, and we have given proof of that in a practical shape in the huge money-contribution we have now made. It is in no spirit of bargain, not in expectation of gaining something that we have given it. It was possible for us to have done so by being enabled to adjust our finances to meet it by the taxation that has been imposed. We in fact see therein an earnest of some fiscal control being vested in us—so as to be able to adjust our financial obligations. Justice as well as political expediency requires that we should have thus a dominating voice in the financial control and should be enabled to adjust our revenue and expenditure so as to lighten the burden as far as possible.

"Coming to the super-tax although it is only a wealthy community that is going to be taxed, and though it will thus be not so oppressive as it would be if it comprised the less well-to-do, we feel that it need not have been resorted to in the first instance. All considerations of justice and equity demanded that those who have pecuniarily profited by the war should be called upon to part with a portion of such gains I would respectfully submit that the reasons which the Hon'ble the Finance Minister has given for not taxing such profits are not very convincing. Where would be the difficulty to find the staff who could be trusted to make the necessary calculations? Could not an indent be made to England if necessary? In a recent issue of the *Capital* we find statistics of thirty jute companies showing profits they have made in 1914, 1915 and 1916, respectively. Could not similar statistics be obtained of other concerns who made such profits from war. The list of the profits of the jute companies is given below—

'The following statement of Bengal jute mill profits will, we are sure, be found very interesting. We are indebted for the same to *Capital*:—

—	1914.	1915.	1916.
	Rs.	Rs.	Rs.
Barnagore	37,515	11,59,860	16,50,870
Kinnison	9,15,892	26,89,250	41,12,964
Reliance	1,35,376	11,94,862	20,79,067
Albion	6,40,309	9,45,965	13,72,256
Budge-Budge	8,57,916	14,04,929	22,83,962
National	5,21,488	16,07,804	23,18,149
30TH NOVEMBER.			
Auckland	*1,43,133* Loss	8,25,454	14,22,666
Caledonian	...	...	5,33,743
Delta	6,49,614	15,79,842	19,62,393
Fort Gloster	1,22,849	21,47,731	34,91,067

	1914.	1915.	1916.
	Rs.	Rs.	Rs.
31st December.			
Alexandra	12,661	8,53,552	10,64,053
Belvedere	2,38,516	9,75,932	15,02,377
Dalhousie	1,16,157	14,20,529	22,78,375
Empire	2,73,648	10,78,765	13,73,304
Gondolpara	1,11,508	10,30,031	9,77,080
Gourepore	3,62,044	27,11,273	30,98,277
Howrah	Loss *2,75,396*	21,55,884	34,71,243
Kamarhatty	6,82,308	31,61,030	42,73,881
Kanknarrah	13,11,599	33,00,860	48.61,724
Kelvin	4,97,703	16,44,232	19,88,897
Khardah	9,81,079	30,39,988	38,57,600
Lansdowne	Loss *89,683*	14,49,910	8,70,575
Lawrence	1,98,526	13,73,622	21,97,070
New Central	...	...	19,66,581
Naihati	3,15,523	8,07,759	11,29,630
Northbrook	26,288	10,05,616	17,24,037
Soorah	91,337	3,01,101	3,38,900
Standard	Loss *19,434*	12,96,047	24,34,729
Union	1,01,743	20,18,724	30,66,038

Is it very difficult to find out what portions of these profits represent war profits. It would be interesting to inquire how many share-holders of these companies will be touched by the super tax, for all whose dividends are below Rs. 50,000 will escape. Could any share-holder reasonably complain if, say, even half the extra dividends he got owing to war profits were appropriated by the State seeing that they would not be earned but for the war? Lastly, granting that the tax on the war profits would be *nil* at the termination of the war, why are the profits during the continuance of the war to go scot-free? Would there be any difficulty to have fresh taxation at the termination of the war to make up any deficit?

"Coming to the expenditure side of the Budget, it will not of course be right to expect that our ordinary expectation can fully be met in a war Budget; but we cannot but regret that more could not be granted for sanitation and education. We are grateful to the Government for the grant of 30 lakhs for improving the position of teachers of primary and secondary schools; but this is not enough. Extension of education is if anything more urgently called for and makes an imperative demand on the revenue. Much time has already gone by and we cannot afford to waste further time before strenuous efforts are made to reduce—if not altogether remove—the deplorable amount of illiteracy from the country. How long shall we appear before other nations as illiterate people? Why should the Government of India be hesitating while the whole of the civilised world accepts the task of educating the people as a sacred duty? The demands of sanitation are equally insistent. I am aware that these complaints have for years and years been made and that there is nothing new in them. But, My Lord, it is not our fault that we are repeating the complaint year after year. It lies with the Government to remove the cause of these complaints. It may no doubt be contended that there would be

no funds this time to devote to education and sanitation. My submission would be that money will be available by suitable adjustment of the Budget. Why for instance should there be 40 lakhs for Delhi? It is surely an extravagant sum simply 'to carry on.' There is surely no urgency in the matter. I confess I could not follow the Hon'ble the Finance Member's explanation. Why should there be any difficulty even if that involves the disbanding of establishments. Cannot the requisite staff be available for reappointment when the work would require it, or cannot the staff be deputed to Mesopotamia to be usefully employed now? Why should again the collection of stones and manufacture of bricks go on now when they will not be required for some time to come? Why should bricks and stones again rot and deteriorate? Could not 40 lakhs be easily cut down from the Delhi project and the money be made available for sanitation and education?

"If there is one subject more than any other which to-day is agitating the Indian mind with almost feverish anxiety it is the question as to the position of India in the re-adjustment of the Empire that is surely going to take place presently. Is she to continue as a mere dependency as at present, or will she be admitted to a partnership with the self-governing Dominions over-seas in the Empire, that is being discussed everywhere. We, 19 of out 22 selected Indian Members of this Council who were present at Simla at the time, submitted a note to Your Excellency in September. The Members who did not sign it at the time have, it is well known, directly or indirectly practically endorsed it since then. There is no doubt that the whole country has earnestly confirmed it. Both the National Indian Congress and the Moslem League have passed Resolutions embodying the demands we made in it. The whole country is keenly expecting a favourable response at the hands of Your Excellency's Government.

"One of our demands in the said memorandum was the granting of King's commissions to Indians in the Army. This demand has now received prominence owing to special circumstances. The recent announcement made by the Secretary of State in Parliament that Your Excellency has informed him that commissions in the Army under the Indian Army Act would be given to Indians have filled them with high hopes, and they refuse to accept the restricted interpretation which is placed on it. Indians are now being admitted to these commissions as jemadar, subadar, and subadar-major, and if these only were meant where would be the necessity of making the announcement? There is also the pronouncement made by Lord Islington in July last before a Conference of Parliamentry representatives which at any rate leaves no room for doubt. 'He anticipated and most hopefully anticipated that one of the outcomes of the war would be that at an early date we should display our confidence in Indian military loyalty by promoting to commissioned ranks as officers in the Army some of those qualified for the position'. It is certain, My Lord, that the appointment of another Indian to the Executive Council will not meet with that enthusiastic reception to-day which the appointment of an Indian Captain would. It will be unjust to India, My Lord, and politically dangerous to further delay giving effect to hopes which have been raised in the Indian mind. I would associate myself in this connection with the following remarks which a retired military officer, Colonel A. M. Murray, C.B., has recently made:—

'*Spirit of Comradeship.*

'As long as we treat India as a conquered country unrest will spread *pari passu* with the spread of education. Comradeship makes for contentment, and takes the wind out of the sails of agitators. We want Indians to feel that their cause is our cause, and that they have equal rights of Imperial citizenship with ourselves and overseas Dominions. We cannot do everything at once, but we can begin with the Army. The Army of India, like the Government of India, is organised on bureaucratic, not democratic, lines, and this is what requires to be undone. Soldiers will oppose the proposal for fusion, because by force of habit and tradition they oppose all reforms; but statesmen will understand what Indians want, and if they are wise they will give it them. Difficulties will occur to both Europeans and Indians in carrying out this proposal, but in the opinion of a distinguished Anglo-Indian statesman whom the writer has consulted they are not insuperable.'

"Let not the enthusiasm which has been aroused in India by the decision of Your Excellency's Government throwing military service open to educated Indians be damped by irritating differences of treatment between Indians and Europeans. Let also the short-sighted policy of working the Defence of India Act arbitrarily and without any justification in gagging Indians of influence be reviewed. It is apparently not realised what mischief the recent orders passed against Mr. Tilak, Babu Bipinchandra Pal and Mrs. Besant has done.

"We are deeply grateful to Your Excellency's Government for having stopped emigration of Indians to the Colonies, and we sincerely trust that the prohibition will take shape of a permanent injunction."

The Hon'ble Dr. Tej Bahadur Sapru:—"My Lord, the Session of the Council which is drawing to a close to-day has been an eventful one. Indeed some of the events which have happened during the last two months within the four walls of this Council Chamber have been of such far-reaching consequences, that it seems to me that their effect will be felt not only by the present generation of Indians, but also by the succeeding generations of our country-men. Not the least important of these events has been the Budget which has been presented by the Hon'ble Sir William Meyer. What, I may be permitted to ask, are the leading features of this Budget? If I were asked to sum them up, I would say that the Budget shows in a remarkable degree a combination of foresight, resourcefulness and equity. My Lord, we are passing through extraordinary times, and there are extraordinary calls on the public purse. Money had to be found, and I do not think that it would have been possible to find more money in a more satisfactory manner than has been done by the Hon'ble Sir William Meyer in the present Budget. There is, on the one hand, the Super-tax, and I do not see any reason why those who make most should at all complain, when they are called upon by the Exchequer, to pay most; on the other hand, you have the export duty on jute raised and a surcharge on railway goods. No doubt, exception has been taken to the surcharge on railway goods in certain quarters, but I expect that as time goes on and as our finances acquire a state of equilibrium, this will be revised. But not the least important of the taxes which have been imposed is that which relates to the cotton duties. My Lord, the excise duties in India have been a sore point with us for nearly a quarter of a century, and it did certainly require a certain amount of courage on the part of the Hon'ble the Finance Member to raise import duties on cotton, and the events which have happened recently in England undoubtedly bear testimony to the remarkable courage which the Hon'ble the Finance Member has shown in this matter. When one sees the spectacle of India willingly contribute her mite in the defence of the common Empire, when one bears in mind the poverty and the limited character of her resources and the extent of the financial help which we have rendered at this particular juncture, when, at the same time, one remembers the prosperous condition of Lancashire and the little-mindedness which they have shown on an occasion like this, one is tempted to proclaim 'look at that picture and look at this.' My Lord, I sincerely hope the courage which has characterised the Finance Member on this particular occasion will not fail the Government of India in future, and when the time comes for a revision of our financial position, the Government of India will stick to the arrangement as strongly and as firmly as they have done on the present occasion. My Lord, I think it is only fair that we should express our gratitude to the Right Hon'ble the Secretary of State for the bold and courageous attitude that he has taken in regard to this matter. It is nothing but bare justice which has been done to India, and let those of our critics who have been finding fault in the Press here and elsewhere in regard to the manner in which we have been financially rendering help to England, remember the spirit which has been shown by the Members of Your Lordship's Council and by the general public in India, and contrast it with the spirit which has been shown in Lancashire. But I may be permitted to observe that the Hon'ble the Finance Member has been particularly good to the people of this country in so far as he made it possible for the people, I mean

the masses, to avoid any furthor incidence of taxation. Salt has not been tapped again, and although there are indications in the Hon'ble the Finance Member's speech of the agricultural incomes being tapped, I sincerely hope and pray that it may not be found possible next year to tap these resources.

" My Lord, coming to the expenditure side, it is gratifying to note that in spite of the various calls which have been made upon the purse of the Indian Exchequer, the Government have found it possible to contribute 30 lakhs to the cause of education. My Lord, my friend the Hon'ble Mr. Sastri, raised a debate on this question only a few weeks ago, in the course of which he laid stress upon the fact that, while money has been granted for the improvement of teachers, no money has been granted for the extension of education, and he then took opportunity to remind the Council that a battle-royal has been waging in this country for many years past between the theory of efficiency on one side and the theory of the extension of education on the other side. My Lord, I think personally that the improvement of teachers is by no means inconsistent with the extension of primary education. I wish it had been found possible by the Government of India to give something for the extension of primary education. But, My Lord, taking things as they are, I must say that I am not free from certain doubts as to the justice of the distribution of that grant. I find that the Hon'ble Sir Sankaran Nair proposes to give nine lakhs of rupees to Bengal, whereas my province gets only two lakhs and fifty thousand. I believe he has proceeded on the principle that he who has much is entitled to more, and he who has little is entitled to less. Well, My Lord, my Hon'ble friend Mr. Basu has during this Session earned a reputation, I would say an enviable reputation, for ' sweet reasonableness.' I will put it to him and ask him whether it is at all reasonable that Bengal which always claims to be in the vanguard of education, and which always chaffs my province for being at the bottom of educational progress, should have nine lakhs, while we should remain content with the paltry sum of two lakhs and fifty thousand? I am sure the Hon'ble Mr. Jennings would be quite happy to share a considerable portion of the nine lakhs with my province, which was also his province a few years ago, and I am also sure my Hon'ble friend Mr. Basu in his anxiety to preserve his reputation for ' sweet reasonableness ' will not oppose my suggestion.

" My Lord, it is my pleasing duty now to offer Your Lordship my personal thanks and the thanks of my province for the courageous step which Your Lordship has been pleased to take in behalf of indentured labour. My Lord, it has been a crying evil. The entire country has been thrown into a state of excitement over this question, and year by year the conviction has grown deeper in our minds that what cannot be mended must be ended.

" My Lord, the moral evils of this pernicious system are too patent, and no one has recognised them more frankly than the Government of India themselves in their Despatches to the Secretary of State. Your Lordship and Your Lordship's Government must be aware of the excitement that has existed in the country during the last few months over this question, and nowhere more has public feeling been excited on this particular question than in the Province which I have the honour to represent. My Province has suffered most because it is from my Province that a very considerable portion of labour is recruited, and I rejoice to think that Your Lordship has exercised your discretion under the Defence of India Act and abolished it for the time being. My Lord, I trust it is not abolished only for the time being, I hope it is dead and dead for ever. My Lord, I certainly did not know the potentialities for good of the Defence of India Act, and I am encouraged to think that if Your Lordship can introduce such a beneficent reform under the Defence of India Act, Your Lordship may introduce under that Act certain other reforms for which the country is crying. And I can assure Your Lordship that if Your Lordship does it, you will not find stronger supporters of Your Lordship's Government or of that Act than the present Members of this Council. But, My Lord, I do not wish to say more on this subject. I have yet another grievance, and that is also of a provincial character. I refer to the question, to the old, old question of a Governor in

Council for my Province. My Lord, I had the honour of moving a Resolution on this subject only a couple of weeks ago, and then Sir Reginald Craddock uttered language which I did not realise was something of a prophecy. He said that if we could not get sixteen annas, we should be satisfied with eight annas. Well the eight annas has yet to come, meanwhile there is some cause for us to pause. The announcement of the appointment of Sir Harcourt Butler in place of Sir James Meston is a matter of reflection for us all. We ask, is this question going to be shelved and postponed for another five years? My Lord, nobody can accuse my Province of want of patience. We have been patient for over 80 years, and I trust, My Lord, you will not make a further demand on our patience in this particular respect, but certainly I may be permitted to ask whether the appointment of Sir Harcourt Butler in this Province is only a stop-gap arrangement during the time of the war, or whether it is proposed to elevate Sir Harcourt Butler himself to the position of a Governor after the war is over? My Lord, I have nothing particular to say with regard to the appointment of Sir Harcourt Butler; he is a Member of the Civil Service of our own Province, he knows the Province intimately, and if we have to go content with a Lieutenant-Governor for the next five years, I have nothing more to say against that appointment, but I hope and trust that behind the apparent announcement, there is some policy which it is not considered expedient to announce at the present moment.

"Now, My Lord, there are one or two questions which I would, with Your Lordship's permission, just touch upon and then resume my seat. My Lord, my friend the Hon'ble Mr. Shafi has reminded us very solemnly that it is not right for us to embarrass the Government by raising any questions of a constitutional character. I am perfectly alive, My Lord, to the obligation that rests upon us all that we should refrain from embarrassing the Government on any particular question during the time of the war, but, My Lord, may I remind my friend that putting before the Government what the country feels is not embarrassing the Government, but helping the Government. My Lord, Your Lordship was pleased to refer to a Despatch which the Government of India have sent to the Secretary of State on the question of *post*-war reforms in the speech which you delivered on the opening day of this Council. My Lord, some of us who are interested in those questions have ventured to put forward our views before Your Lordship in a memorandum submitted at Simla. Since then the country has from its two public platforms also expressed opinions on these questions, and I do not think I shall be justified in going into the details of any of these questions and discussing them on this particular occasion. But the fact remains that new aspirations have arisen, and it is for the Government to regulate and satisfy those aspirations and not shut their eyes to or suppress those aspirations. I am glad that the Government is not oblivious of those aspirations, and that the Government have themselves sent up a representation on those questions to the Secretary of State. But, My Lord, may I be permitted to express the hope that, whatever may be the decision which Your Lordship's Government or the Government in England may be inclined to take in regard to these constitutional questions, Your Lordship will be pleased to give the country a chance of expressing its views on those particular decisions. This was done in the case of the Minto-Morley reforms, and I see absolutely no reason why the country should be deprived of any chance of expressing its views on reforms on which the Government of India and the Government in England are agreed.

"My Lord, my Hon'ble friend, Captain Ajab Khan, whom we all cordially welcome in this Council as representative of the Indian Army, referred to the aspirations of the Indian Army to-day. I can assure Captain Ajab Khan that he has with him the support of the entire country. My Lord, it has been our grievance for years past that we are not admitted into the higher ranks of the Army, and I am glad that the gallant representative of the Indian Army, on this occasion has, with the authority with which he can claim to speak on this question, put forward his views so eloquently before Your Lordship to-day.

"My Lord, my learned friend, the Hon'ble Pandit Madan Mohan Malaviya, moved the other day a Resolution with regard to the Public Services question. I do

not wish again to raise any question of detail with regard to that matter. But I will be absolutely frank and say one or two things with regard to that matter. If it is thought by the Government here or in England that the aspirations of this country are going to be satisfied by the recruitment of nine men in this country, My Lord, all that I can say to Your Lordship with all the sincerity I can command is that the Government is very much mistaken. The report of the Public Services Commission is an extremely disappointing document, and I should like those who wish to go ahead with the reforms suggested by the Public Services Commission to ask themselves just one or two questions. Does the Report of the majority of the Commission satisfy the intellect of India? Does it satisfy the heart of India? Does it satisfy the aspirations of the present generation, or will it satisfy the aspirations of the generation which will arise in the next thirty years? My Lord, whatever may be the steps which Your Lordship is prepared to take in the light of the Public Services Commission's Report, I certainly hope and pray that Your Lordship will not accept the suggestion of the Public Services Commission which assumes that India's aspirations can be satisfied with the recruitment of nine men in India.

"My Lord, I must also thank Your Lordship for sending representatives of the Government of India to the Imperial Conference which is about to take place in England. But I think, My Lord, I owe it to Your Lordship to say that the country would certainly have been more pleased and more satisfied if this Council had been allowed to select a representative of its own. I know, My Lord, that the Dominions have sent up their Ministers, but there is this vital difference between the Dominions and India, that the Ministers who have gone to England to take part in that Conference have the vote of their country behind them, whereas our representatives have not. My Lord, I have nothing more to say."

The Hon'ble Rao Bahadur B. N. Sarma:—"My Lord, we rejoice at the success of the allied arms in the west, of the British Imperial arms in the east, and at the discomfiture of our enemies. We rejoice that the people of Russia have risen equal to the occasion and are determined to win the war New forces are being created, the democratic spirit is abroad, and there is every hope that we may look forward to an early and lasting peace. I realise that we are in the midst of abnormal conditions, and that the ordinary canons of criticism do not apply to this year's Budget, an essentially War Budget. There has been a class of critics during recent times which regretted that the war has not been brought home to the minds of Indians in the way in which it ought to have been, India being an integral part of the British Empire. They may rest assured that it will be remembered for at least a generation if not more, and that India has never shrunk, and will never shrink, from sacrifices which she can bear, provided she is really treated as an integral part for all purposes. The country will always remember with gratitude the Hon'ble Sir William Meyer's bold championing of the Indian cause, and he will permit us to believe, even in spite of his Budget speech, that overwhelming forces over which neither he nor perhaps the Government of India had absolute control, are responsible for the presentation of the Budget in its present form. But may I be permitted, My Lord, to congratulate Sir William Meyer and Your Excellency's Government on the skilful manner in which the burdens have been adjusted, under circumstances which permitted no alternative.

"The Budget is an orthodox Budget, but for the introduction of two principles, namely, the discrimination of the rich as being specially bound to bear State burdens out of their abundance, and that India has the right to adjust her tariffs for fiscal purposes. I have always felt that the Government of India were never deterred from imposing burdens for the maintenance and increase of armies, it may be partially for Imperial purposes, and for administrative improvements, but have always hesitated, owing to the bogey of popular discontent, from initiating any large measure involving expenditure calculated to improve the condition of the

people, such as their education, sanitation and vital well-being. The history of fiscal legislation in the past and at present fully justifies my remark, nor is there any indication that any schemes are under contemplation which would enable the people to bear the new burdens without detriment to their well-being. Mr. Gokhale asked for a revision of the tariff for educational advancement; it was not to be. There seems to be no constructive statesmanship discernible.

"The Hon'ble the Finance Minister's speech indicates the possibility of being faced with the need to look to land and salt for general burdens in the near future, and the contingency may not be so remote, if certain strong influences whose force and vigour we have witnessed during the last few days obtain ascendancy when the pressure of the war is over. It is sad to contemplate the general economic condition of the country, the new taxation and the possibilities of the immediate future. Turning to the figures quoted in Mr. Dutta's report, page 58, paragraphs 145 and 146, and even taking them with the comments of the Government of India, the position is not very cheering. Whereas there has been a growth of population between 1890-91 and 1911-12 of 8·4 per cent. in the area inquired into, the increase in the area under cultivation has been but 6 per cent., in the area under food grains 3 per cent. and in the production of food grains but 9 per cent. The new area under cultivation, including the canal-fed land since added, can by no means be said to keep pace with the further growth of population, say, about 2½ per cent. since 1911-12, and making full allowance for deficient statistics, low crop returns, etc., the position is by no means encouraging when we remember that the highest average income per head has been computed to be but £2, and statements in which, assuming there is exaggeration, a partial truth must be admitted, that more than 40 millions go without a full meal a day.

"The total capital of the Joint Stock Companies was estimated in 1913-14 to be 76 crores, and the rupee loan held by Indians was in 1911-12 about 69 crores, or a total of 145 crores, a sum less than the 100 millions for which provision has been made, and even including the Savings Banks deposits, the fresh loans and capital in new companies, the figures are not very much higher. The proportion of the public debt held by Indians was in 1901-04 50 crores and in 1911-12 69 crores, or an increase of 2⅓th crores per annum. The capital sunk in the new companies during recent years does not exceed on the average three or four crores, and taking the Post Office Savings Bank deposits, the growth between 1904-05 to 1911-12 to be from 13 to 18, the aggregate annual total, at any rate of people inclined to utilise their resources, falls far below the nine crores a year, the interest and sinking fund charges provided. The super-tax and the drain of capital from the country are factors of a very disquieting character. Let us also remember that if only 35 millions could be raised, 9½ millions of new acres of irrigated area could be brought under the plough; and we are shrinking from undertaking the programme partly for want of capital.

"Taxation under heads which are considered taxation proper, excluding railways, irrigation, etc., has increased from 3*s.* 2¾*d.* in 1907 to a little over 4*s.* 7*d.* in 1917-18, roughly an increase of 43 per cent. within ten years. The increase in the gross revenue has been from 81·1 actuals in 1914-15 to 98·8 the Budget figure for the current year or 22 per cent. in three years.

"But we rejoice in that we have as a partner the wealthy United Kingdom. The capital of the United Kingdom was estimated by Sir Robert Giffen in 1903 at £15,000 millions and the annual income at £1,750 millions. The 'Economist' quoted at page 81 states that the amount invested abroad in Mulhall, was 3,050 millions, which is estimated to represent 20 per cent. of the total capital of the United Kingdom, and this was several years ago. The total amount of securities on the stock exchange at present, I believe, is more than 11,000 millions, of which 6,000 millions is invested abroad, and a large portion thereof is British capital. Viscount Haldane in 1915 said—'the growth of national annual resources has been from 850 millions in 1868 to 2,400 millions.' Viscount Middleton, speaking in the House of

Lords in 1915, said 'the Chancellor of the Exchequer said the other day that the savings of the country had now reached, according to statisticians, between £300 and 400 millions a year, but that we have made pretty good inroads upon these savings' Mr. McKenna, the Chancellor of the Exchequer, said in April 1916—'I have given our revenue of a possibly permanent nature at £423,000,000 which leaves a surplus on the basis of increased expenditure, after another year of war and all its expenses, at £85 millions. I give these figures under great reserve, many of the factors cannot be definitely estimated, but I think the figures are enough to shew that, by the present scale of taxation, we are making ample provision for the service of the war, and that when peace comes we shall have a considerable margin for the remission of taxation.' The total indebtedness of the country was 3,440 millions, the advances were 860 millions and the debt charge annually was 145 millions. Mr. Chamberlain, speaking in the House of Commons in May 1916, stated that the position in England was not very discouraging. Revenue exceeded the estimates by £3,500,000 in 1913-14, by £17,500,000 in 1914-15 and by £32,000,000 in 1915-16, and after saying that they were not overstraining their resources which would have resulted in small returns, he added 'I have not the least doubt that this money which we are taking from the hands of our countrymen could be used to greater advantage if there were no war than it is now being used in the interests of the war by the Chancellor of the Exchequer. We are using up capital, we cannot help it. In one form or another we are bound to do it. We are using up capital for purposes of the war. We are laying by less capital than in ordinary circumstances would be done for the development of business, for keeping business up to date and for providing us with the means to meet our competitors' So the position in England is not so gloomy as is sometimes depicted, and I have not the least doubt that the principle of reciprocity would lead to abundant good results in the future.

"The position in the Colonies also is not bad. Their annual income per head is 53, 52, 100 and so on, and the amounts in the savings banks are also large. Consequently, we may reasonably and naturally expect the rest of the Empire, after the war is over, to undertake, if necessary, fiscal sacrifices with a view to bring up less fortunately situated India, if not quite up to the level of their economic prosperity, at least to a position where her people can possess and enjoy the normal comforts of civilized existence. This reminds me of a story in the Puranas of a poor Brahmin named Kuchela, in dismay, looking round for something in the house which he could present as an offering on a visit to his friend, King and God, Sri Krishna, when the housewife came to the rescue and gave him a few handfuls of beaten rice which she preserved as a provision against undesirable contingencies. Sri Krishna accepted the gift with great pleasure and was dissuaded by Lakshmi from eating the whole lest inconvenient results of a complete transference of riches might take place. Contemplative India, like Kuchela, never does a duty expecting a return; but the Lancashire Lakshmi may dissuade the better mind of Great Britain from doing justice, let alone generous deeds, and the housewife out here might well wish that the beaten rice had not left her house.

"The Government of India have made the offer in view of the place they desire her to hold in the Empire, and we echo the wish, the desire, the expectation, that that place should be one of perfect equality with the rest of the Empire, one of comradeship. It is but justice to expect that after the war the whole financial position, the question of fiscal independence, contributions and relative status will be reviewed together; and it may be that the indemnity to which the Empire may be entitled will enable her to ease the financial burdens of India.

"With great respect to the Finance Minister and with great humility and deference, I beg to remark that underestimating the revenue has been a fruitful cause of hardship to the taxpayer. The Royal Commission on Currency was compelled to remark, after weighty consideration, with reference to Indian Budget framing: 'Caution is justifiable in framing Budgets in India, but has been carried rather further than was necessary in recent years.' The

figures from 1898-99 to 1917-18 fully bear out my remark. The only years of exception were 1908-09, the year of a great monetary crisis, and 1914-15, the year of the war. Justice to the taxpayer requires the adoption of a system of meeting deficits by loans in exceptional circumstances. There was a surplus of 4 millions in 1915-16. Taxation was imposed in 1916-17, and there was underbudgeting, with the result that the financial position and taxable capacity were made to present an exaggerated picture, with the consequences we have seen in the current year.

"Orthodox doctrines with regard to gold currency, paper currency have received a rude shock. The Royal Commission, over which Mr. Chamberlain so worthily presided, laid down that of the gold currency reserve minimum of 30 millions, there ought to be at least 15 millions held in gold. We have now the spectacle of that minimum exceeding 30 millions, with 24·748 invested in London and 6 at short notice. We had 29·37 million pounds of actual gold in India on 31st March 1913 in the paper currency reserve, and we have but 12·22 millions now though the currency has enormously developed. Gold which India is entitled to get is being ruthlessly intercepted. I do not complain of this being done during the war. These are necessary measures and I have not the slightest hesitation in saying that the Government of India acted in the interests of the Empire Gold is however being ruthlessly intercepted as a matter of deliberate policy, but I sincerely hope that when peace is restored the whole matter will be taken into consideration and revised at a very early date. I hope the Government of India will consider seriously, before further silver coining is undertaken, as to how it will affect prices, and also consider whether it would not take us further away from attaining a gold standard.

"The course of the war has demonstrated fully the folly of complete dependence on foreign shipping. We are grateful to the Navy for the protection afforded, but the protection would have been still more invaluable if we had manufactured products to export on a larger scale, or ships of our own to carry them to further foreign countries. As it is, raw products are bought at our own door, and the exporting countries protect their articles of export by their flags. It must also be remembered that most of the trade of India, and especially of Madras, has been affected by lack of shipping facilities during recent times; and I hope Your Excellency's Government will consider, if possible, the possibility of increasing these facilities, although there is not much hope of that in the immediate future.

"In this connection the observation is generally made that we have not undertaken a sufficient burden with regard to the Navy. May I respectfully point out that it is recognised that we have in the past maintained a larger army than was necessary, and in view of the expenditure on the Navy in England, we have been bearing a portion of the cost.

"My Lord, I associate myself with those friends who have asked the Government to consider whether expenditure cannot be retrenched. Especially under the head of Civil Service charges, there has been a remarkable growth, and there seems to be no indication of a check in the immediate future.

"Then I associate myself with those Hon'ble friends who have applauded the action of the Government of India in respect of their emigration policy. The people of India are extremely grateful to the Government and to Your Lordship for the steps that have been taken, and I am sure they will endorse everything that has been done.

"In regard to the War Loan, people do recognise that, apart from the interests of the Empire, in their own interests, the War Loan should be as large as possible, so that the money may remain in the country; and I hope that, to show the gratitude of India and her earnest desire to help in the actual prosecution of the war, as much money as can be raised will be raised in the shape of these War Loans.

"My Lord, I hope that ere long it will be the proud privilege of Your Excellency to accede to our humble request in respect of throwing open the commissioned ranks of the Indian Army to Indians. The Hon'ble Captain

Ajab Khan, who so worthily represents the Indian Army here, has voiced in no mistakable terms the desire of the soldiers in the field. With one unanimous voice the country has long been engaged in asking for that privilege, and I hope it will be possible to announce the decision at a very early date.

"Speaking for Madras, I hope the Hon'ble Sir Claude Hill will be able to see his way to carry out the Kistna-Cauvery projects as soon as peace returns and financial conditions permit. We have been contributing to the Imperial revenues a considerable amount in the shape of irrigation revenue, not to speak of the general revenue, and I hope that will be taken into account when the Madras case comes under consideration.

"With these words, My Lord, I will resume my seat."

The Hon'ble Mr. Bhupendra Nath Basu :—"My Lord, on an occasion like this I find that we are placed in a somewhat disadvantageous position. The question has been raised, My Lord, as to whether, having regard to the facilities that we have already got of bringing public questions to the notice of Government, a free debate should be allowed on the Budget day, and the Budget dobate should be considered as a Speech Day. Well, My Lord, I cannot say that I do not altogether sympathise with that sentiment. I can well realise. My Lord, that our speeches may strike you like the moaning of the sea, incessant and rolling. But I believe the moaning of the sea may be of some use to our official friends with jaded and overstrained nerves. However that may be, My Lord, though we have latitude on this occasion to speak on questions like holidays or leave for saying our prayers to the grievances of railway passengers; sometimes we may say things which may bear fruit The seed may be carried by the idle wind and it may be lost on the barren wastes of life But sometimes it lodges in a sympathetic soil and it sprouts. So may it be, My Lord, that out of the many things that we say on this occasion something may be utilised. My Lord, ten good men and true would have saved in ancient times a sinful city. I do not—far be it from me to say so—compare the Government of India to a sinful city ; but, My Lord, a few words may save a Government from an inconvenient situation Our friend, the inexorable Vice-President, was for choking us off altogether, sweeping us off the board. Well, inexorable though he is, he had ultimately to yield to our joint entreaty to get along in our old way. But, My Lord, that is not enough ; it is not enough that on this occasion we should feel somehow or other that we were having the latitude of a prize day in school We have also something else to think of. I, for one, bear in mind Your Lordship's earnest appeal to avoid controversial subjects on this occasion; and My Lord, I was racking my brain, like a poet of very high reputation who was looking for a hero, for a theme which would be devoid of controversy ; and I lighted upon one. Unfortunately circumstances prevented me from bringing it up on the occasion on which it should have been brought up, for which I offer my sincere apologies to the Council. My theme was the building of the new city of Delhi. I do not honestly think that there can be any controversy about it. My Lord, I may complain and justly complain, coming as I do from the green and waving fields of Bengal 'why have you brought us out of the land of Egypt into the wilderness?'. And I am quite sure that my official friends must be casting longing, lingering looks behind. They must be hankering after the flesh-pots of Egypt Well, My Lord, I was given an opportunity of having from one of those small watchtowers that are being built, a view of the promised land A friend of mine associated with our architects was with pardonable pride dilating upon the beauties of Delhi to be. My Lord, I am a humble tax-payer, not probably of the class to whom the super-tax would apply, and therefore I am not much in sympathy with those mourning gentlemen who have uttered their complaint against that tax, but nevertheless I felt like this: I felt as if I was carrying on board a vessel bags of gold, and suddenly on the

way I am seized by a corsair who gets hold of my bags of gold and throws them into the sea and says 'Do not despair, for after all the sea has a bottom and your gold bags will gradually rise to the surface. And though you see only the foundations of the Viceregal Palace and of the Secretariat buildings and of the Council Chamber in which your great-grandsons will hold forth as you are holding forth to-day, though you see them just resting on the soil or below the soil, the day will come when they will rise to their full proportions.' Well, My Lord, my mind was full of despair. Why, My Lord, seek the proximity of ruins that proclaim the instability of human fortunes? Is it the old feeling of having always with you the *memento mori?* Are we coming to adopt the old Hindu practice that, lest we forget in the vanity of our daily life what is due from us, we should every morning visit the crematorium that we may not forget? And is it for that purpose that the great and mighty Government of India are building up or trying to build up their future capital amidst ruins which remind us of the past, so that that may be a warning for the future? I do not think, My Lord, that there can be that feeling. It is not for me to raise in this debate and on this occasion the question of the policy which dictated the transfer of the capital to Delhi. But, My Lord, wisdom may come, even if it does come late; and the word of the King may not be sacrosanct, for the King only speaks through his Ministers, and he can always undo what he has done if advised by his Ministers. There is this to be said, My Lord, that having undertaken a venture, which is the better course to adopt? That the Delhi of the future should go as other Delhis have gone and proclaim the mutability of human fortunes? Or that those foundations of the buildings to be should be left in their entirety to proclaim to future generations that after all there was one Government which had the courage to see its mistake, and the courage to undo it? My Lord, which is better? I will not dwell much longer on this subject and ruffle the feelings of my friend opposite, Sir Claude Hill, who probably wants to keep things going as they are. But, My Lord, seriously and earnestly, in this time of stress and strain and of difficulty through which we are all passing in every part of the Empire from the shores of the Atlantic to the Pacific, is it desirable that we should incur expenditure for a project which may never take shape and which, if it ever does take shape, will never realise the expectations of those who entered into it so lightly? As I said, I do not for a moment put forward the claim of my native city, but I ask my friends opposite seriously to consider if something may not be done to stop this idle waste of money. My Lord, proceeding to other subjects which are non-controversial, for my part I offer my best congratulations to Sir Reginald Craddock for the elevation which Your Lordship has been able to give him at the close of his career. I was one of those who were in Your Lordship's Council when Sir Reginald Craddock for the first time came into the innermost ring of the Indian Cabinet. Hopes and fears always arise when we find a new man come to take a position in that most important portfolio which has been in his keeping. We may have had our differences, where are there men who do not have honest differences of opinion? For the last five years, during an exceptional period of storm and stress, he has managed the affairs of his Department with exceptional ability; and now, My Lord, that he is going to a sphere away from fields in which he has worked, I hope he will not be completely weaned away from us by the seductive charms of Burma, and that he will bear in mind the claims of his early love. We all wish a bright future and a higher career for my friend in his new sphere of activities and duties. And, My Lord, I do not think I shall be doing my duty if I do not express to Your Lordship and to this Council the high appreciation which all Indians entertain of the great services rendered to our country at this critical juncture by Sir William Meyer. I shall come to his Budget later on if Your Lordship will give me time, but before I do so I feel bound to express to Your Lordship and to this Council that his administration of our financial affairs has secured for him the unbounded admiration of all my countrymen; for, My Lord, it is an open secret that enormous pressure was put on the Government to squeeze as much as

possible out of the finances of India; not that we would grudge the money but there should naturally be a limit to it. We have always felt, down in the plains where we work and pass our daily lives that Sir William Meyer was like a solitary helmsman holding fast to a tiny boat, tossed by the angry waves, and that he was trying to steer it into a safe harbour. My Lord, he has succeeded. I am not one of those who would carp and cavil on this occasion at any sacrifice if it was needed, but, My Lord, I feel as strongly as you feel, though I am of a different hue, that I form a component part, a living part, of the great Empire to which you and I jointly belong; I feel it lies as much in me as in you that the honour, safety and prestige of that Empire should be maintained; I feel that no sacrifice on our part if required necessary should be grudgingly made on an occasion like this. Therefore, I do not conceal from Your Lordship that I feel that this contribution of £100,000, though probably in ordinary circumstances it would be considered a heavy burden and a strain upon the resources of India, I feel that if the cause demanded it, this contribution whatever the sacrifice should be made. My Lord, the presence of Sir William Meyer and his consent to this contribution give us the assurance that less should not have been given and more could not be expected. Passing from the contribution, My Lord, I am bound to felicitate my friend, the Finance Member, on the ways and means he has found to meet the contribution. My friends to whom the super-tax would apply may feel for a time the wrench that we all feel when money is taken away from our purses, but may I remind them in the words of the Scripture that 'to whom much is given of him much is expected' and that they should not flinch because in this hour of dire necessity they are called upon to pay out of the superfluities of their means. But, My Lord, if the sacrifice has been accepted by the country, it is no use concealing from Your Lordship and from our friends, the responsible Members of Lour Lordship's Government, that for many years it will mean a heavy handicap to Indian progress and to Indian aspirations. I think it is fair to give warning that if in England people revise the methods which Sir William Meyer has devised to meet this contribution in any sense injurious to Indian interests, they will be making a great mistake and seeing that the greatest asset to the Empire is the willing and loyal acquiescence of India to bear her share in the great struggle now going on, I hope that that mistake will never be made. I am sure that as head of the Government, with the Council you have as your responsible advisers, you will not allow that mistake to be made.

"But, My Lord, coming from that position—"

His Excellency the President:—"I am afraid I must ask the Hon'ble Member to come to his peroration."

The Hon'ble Mr. Bhupendranath Basu:—"I am obliged to Your Lordship for that reminder."

"My Lord, there are many things which come to my mind at the present moment. You and I shall not meet again for six months to come, and we shall not have an opportunity of talking face to face. But, My Lord, I would ask you to bear in mind the fact that, when the time comes as soon as the war is over and a new adjustment has to be made in regard to our financial position and in regard to our economic requirements, the great claims that the country has upon Your Lordship's consideration for education, for sanitation and other necessary purposes, should not be overlooked.

"My Lord, before I conclude, I would point out that it has been said of old that men do not live by bread alone. We all realise and acknowledge that you have given us internal peace and freedom from external aggression. I stand at Your Lordship's bar. Give us, My Lord, what you are fighting to achieve in European countries; give us self-respect in our own land; give our young men elbow-room, give them some of that aspiration which Your Lordship yourself must have felt when as a little boy at Peterhoff, that one day you might be the ruler of India. Give the dreaming youth of Bengal that aspiration, nay to the youth of India—why Bengal alone,—that vision. Let them feel that one day

they can be like my friend Sir Charles Munro, the saviour of the situation at the Dardanelles, who has helped to banish for ever from the 'whispering galleries of the East,' the lingering echoes of the greatest reverse that the British army was ever threatened with on the battle-fields of Asia. Let them feel that they may one day be rulers of great provinces and leaders of men, and then, My Lord, you put aside for ever your Defence of India Act, and your regulations, and you may rule over a contented and loyal country in peace and prosperity. Then surely, My Lord, discontent will disappear as mists before the rising day."

The Hon'ble Mr. Abdur Rahim :—" My Lord, I beg to associate myself with my Hon'ble Colleagues who have offered their congratulations to the Hon'ble the Finance Member for the consummate skill he has shown in handling our financial resources even under the extraordinary conditions resulting from this unparallelled war. He has presented to this Council a Budget which provides for almost all the internal needs of our country's administrations, as well as for the annual charges resulting from the war contribution which Your Excellency's Government has made on behalf of this country in a manner which is undoubtedly satisfactory from every point of view. The Mohammedans of Bengal, whom I have the honour to represent, fully approve of the action taken by Your Excellency's Government, and are always ready to give their loyal support to the British cause.

"The British Government is very naturally occupied with the gigantic task of crushing an aggressive Militarism which has involved the civilised world into a terrible war unknown in previous history. Realising that this is not the time to enter into a discussion of any controversial nature, I content myself with assuring Your Excellency of the whole-hearted support of my community in bringing this war to a successful end."

The Hon'ble Mr. Srinivasa Sastri.— " My Lord, the Hon'ble Mr. Basu said he felt like a school boy on a prize-giving day. I wish as a school master to return the compliment and to say that I feel rather like a lawyer on a law dinner day when a practitioner may get up and quote overruled decisions, ask all kinds of irrelevant questions and perhaps also attribute profound ignorance to the learned brothers on the Bench. He has shown the example on the Budget day of speaking as little as possible on the Budget. The few remarks that he made connected with the Budget, I propose to make at the beginning.

" I associate myself, My Lord, with the sentiments expressed hitherto as to the war gift that India has made to the British Empire. It is no doubt a great sacrifice for India; it is burdensome ; and because it is a great sacrifice and burdensome, it is, if I may venture to use that homely expression, a dear gift that we make to the British Empire out of our hearts, and I hope and trust that that will eventually prove to be the means of consolidating the interests that bind England and India together.

" I must congratulate, like my Hon'ble colleagues, the Hon'ble Sir William Meyer on the manner in which he has adjusted the burdens that arise from this war-gift. Those that are able to bear have been made to bear the taxation, and those that are unable to bear the burden have been so far spared. But I would have the Council to remember that nearly every item of taxation imposed on account of this great gift has been attacked from one side or another. The railway tax has been attacked ; so has the super-tax been ; so unfortunately has been the increase in the import duties on cotton. Now, if as a consequence of these attacks the burden has got to be re-adjusted, I much fear that the threat contained in one of the paragraphs of Sir William Meyer's speech will have to be carried out. Land and salt, so far happily exempted, may have to come under the hammer of taxation, and if that took place, the feature of the Budget on which we are now able to congratulate him will have disappeared, and the burden of taxation will be then resting on those that are least able to bear it, while those that are most able will escape. I would remind the Council that there is a very

strong school of thought in this country opposed to one of the statements made in the Financial Statement that land is comparatively lightly taxed. I am one of those who believe that it is taxed almost up to the bearable limit. If hereafter it is to be made, as I hope it will not be made, to bear additional burdens, it must be, as the Hon'ble Sir William Meyer has pointed out, for the purpose of such great and beneficent objects as education, sanitation, medical relief and so on. Let me express the hope of this Council and of the country in general that salt and land will be kept sacred hereafter from additional taxation, sacred only to those objects of immediate local interest.

"One great feature of this Budget, My Lord, is the import duty on cotton. For the first time we are feeling that a great injustice has been removed, and we are hoping that further steps in the same direction will be taken for the general relief of the tax-payer. This is in the direction of the fiscal autonomy which has been the pole-star of commercial and economic aspiration in this country for two generations. We feel that we are subservient economically to outsiders, that we cannot develop our resources to the full to our own advantage, and as on this occasion we rejoice that we have taken the first step, so it would be a calamity indeed if this step had to be retraced owing to the pressure of Lancashire

"The debate in the House of Commons has fully disclosed the existence of a danger against which we desire to forearm ourselves. It is, My Lord, a matter of particular gratification that the Secretary of State has seized the essence of the point and put it in forcible language which we cannot improve upon. This impost on cotton goods is a social necessity for India, it is a political necessity for India, it is an industrial necessity for India. I am glad to acknowledge that I have noticed the spirit of anger and indignation with which not merely Indians but even Englishmen in this country have read the report of the proceedings in the House of Commons. They feel that, even when bare justice is, under the inexorable necessity of war, done to India, there are a class of people in England whose selfishness drives them to raise an untimely word of protest. As I said it has been bear justice—I take the leave of the Council to go another step and affirm that it is now, after the immense war gift we have made to England and the additional taxation that we are for that purpose bearing, that it is after this an obligation that England owes to us to set us free to stand upon our own legs in the matter of fiscal development." For after all I do not mind how much we pay out of the available and hoarded wealth of the country, let our accumulations, let our disposable goods be all taken, provided we have the power of creating wealth again, so that we can use such resources as we have to the fullest advantage of this country. Fiscal autonomy then has become not merely justice to be pleaded for, but a necessity that England cannot any more withhold. I wish Your Excellency's Government to make this matter clear as the unanimous wish of this Council to the representatives of our Government at Home.

"The next point to which, My Lord, I wish to refer is a matter concerning education arising out of a question that I raised a little while ago in this Council. I was then pleading, after expressing gratification at the thirty lakhs granted for the improvement of the pay and prospects of teachers, I was contending that some more money might be given for the purpose of extending elementary education, and I had then ventured to state what had not been affirmed openly anywhere, that Local Governments were looking to the Imperial Government for annual recurring grants for the purpose of financing all extension of elementary education. Only two days elapsed and over the wire came the news from Madras that the Director of Public Instruction of that Province in the Legislative Council there stated the identical thing that I had stated, that for expansion the Imperial Government must be pressed, Local Governments were unequal to the task. Well that is a confirmation of my view which I did not expect to come so quickly, but it is a confirmation of which I hope the lesson will not be lost on the Government of India. It is, I venture to remind Your Excellency, one of the great questions which should be grappled with immediately, it cannot be put off. May I be permitted at this stage, Your Excellency, to make a personal

observation personal to Your Excellency, but not entirely, because it arises out of your exalted position in this country. At the time that Your Excellency assumed office, we did not hear, I do not remember at all events and I do not think any one here remembers hearing, of an announcement mentioning any labours of a heroic character to which Your Lordship was going to address yourself, whether it reached the herculean number of 12 or another it did not matter. We remember a historic occasion on which 12 labours were undertaken by one of your predecessors. Well, God gives proof that even in exalted spheres the virtues of humility and of reserve will not go unrewarded. Within twelve months of Your Excellency's assumption of office, it has been possible for Your Lordship to confer on this country three great blessings. The first I would mention is the suspension of indentured labour during the period of the war, which I hope will be converted into complete abolition of that iniquitous institution. The next I would mention is the organisation of the Defence of India force. Lastly, I will mention—well, I forget the third achievement for the moment, but I will pass on—I do not know how many still remain to be achieved by Your Excellency, but there are two which I must take the leave of the Council to mention as those which I would like to see Your Excellency's regime be marked by. One is the enactment, on however humble a scale, of the principle of compulsion in the sphere of elementary education. The other is the inauguration of a scheme of political reforms before Your Excellency lays down office. On the contrary I expect that, long before that time comes perhaps, we shall be enjoying the fruits of the new scheme which I am sure is being framed between the Government of India and the Government in England. It has been pointed out, My Lord, several times that at this time of war we ought not to embarrass the Government with any suggestions of ours. I do not know that this thought of what should be done in India to satisfy the growing ambitions of the country is not present night and day to those who have charge of responsible interests either here or in England. We know as a matter of fact the thought is forever present in your minds, in the minds of those with whom you are in daily association in the work of Government in India. If we at this time throw in our counsel so that you may take that into consideration also in settling matters, it is rather hard for us to be accused of seeking to embarrass the Government with our ideas at this time. It is too little realized, I fear in official circles, or if realised it is conveniently forgotten how intense are the feelings of young India in the matter of realising the great hopes that have been held out from time to time. It is somewhat strange that decades ago when public life was rather low in this country and public demands had not risen to any high pitch, it was left to English administrators and statesmen to lay down in clear and generous terms the policy of continuous improvement which was to end in the final emancipation in a political and economic sense of the people of this country.

"Now that during the last few years public opinion has become articulate and people are asking for one thing and another, it is astonishing to think, it is saddening to think, that officials should seem to stand aghast and scared at the coming prospect. What is it that is happening in this country, they seem to say to themselves? My Lord, no one of us, at least no one of us who has thought of the affairs of India in a serious way, desires any catastrophic changes. Far, far be that from our minds. But let me frankly tell Your Excellency and Your Excellency's Government that we do look forward to large, substantial and satisfying items of reform consistently with their being stable and lasting. The only things that we hear amid the official reserve and the official silence in regard to these matters are the views of retired pro-consuls like Lord Sydenham, whose distrust of educated Indians, I venture to state from this place, is fast becoming a menace to the peace and welfare of this country. My Lord, it was only a few days ago that the Premier of England, referring to the catastrophic change that has come over Russia, spoke of it in terms to which I would venture to draw the attention of the Council. He referred to it with his characteristic insight as 'events marking a world epoch and as the first great triumph of the principles for which we entered the war,' *i.e.*, the dethronement of autocracy and the establishment on a sure footing, let

us hope, of popular freedom. We ask for the identical thing in this country. Shall it be said that India was the last country in the world to obtain this great triumph of the principles for which England and India alike are making terrible sacrifices? Let it not be. Let it not be said that any school of English politicians stood deliberately in the way of according to India that popular freedom which they hail in the case of Russia, even when it is inaugurated in that catastrophic manner of which we have heard. We want peaceful progress; we want constitutional and ordered progress; we want, however, at the same time that it should be declared clearly to Indians that they shall one day be free. It is necessary in my opinion also to state how soon. Shall it be said twenty or thirty years hence that, at a time when the world was passing through a terrible crisis and the nations stood facing each other, some in friendly co-operation, some in the bitterest hostility, the Indians asked for freedom, but that they were told to 'wait, wait, wait.'

"Your Excellency, it is now time that we were told definitely what it is that we are to expect. I make no doubt whatever that Your Excellency is already contemplating the announcement to India at a seasonable time no doubt of the goal towards which India politically will evolve under the fostering care of the British Government. It strikes me that the hour has long come when that should be made perfectly clear. While there are many authorities, high and low, in the country ready to deprecate and discourage, ready to intern and exclude, there is none—sad thought—high or low, to speak a word of hope, to hold out to the coming generations the promise of freedom for which England has always stood, for which she is striving to-day, and for which both England and India together are striving with one mind and one heart.

"Your Excellency, with these words I wish to resume my seat, expressing once more the hope that to Your Excellency will be reserved the proud distinction of having been able to initiate a large and substantial, though certainly not a catastrophic, scheme of reform."

The Hon'ble Mr. D. E. Wacha:—"My Lord, though we are permitted on this occasion within the time-limit to speak on all subjects, in fact to roam wide from China to Peru, or from the Arctic to the Antarctic, I for one will not venture on or risk taking such a journey, even were I to be borne on the wings of the wind. The subject is so large that, if I were to dwell as several of my friends who have preceded me have done, on a variety of subjects—on political reform, on self-government, on economics, on currency, on railways and many other etceteras—I think, My Lord, that the time-limit of 20 minutes would have to be extended to 300 minutes. But where is the time? We are to finish to-day at 5 o'clock and here it is 10 minutes past 4. Therefore, My Lord, it is really futile on this occasion to avail ourselves of this opportunity to speak on any subject except finance, which is really the subject proper before the Council to-day. I will, My Lord, make one preliminary observation before I proceed to speak on the subject, and it is this. Several of my friends, and particularly my friend, the Hon'ble Mr. Sastri, have appealed to Your Lordship that the problem of self-government might be considered, and that at some very recent date you might make an announcement on the subject. When that is the question and when that is the appeal made to Your Lordship, I in my turn would like to make another appeal, not only to my friend, the Hon'ble Mr. Sastri, but to all assembled here, including officials. My appeal is this. Are we or are we not a self-governing body here? What is this Council, this Imperial Council, this Council of India, but a self-governing body? And if it is a self-governing body, are we not prepared to have what you call reforms at our own door? Reforms for the country are different, but reforms are necessary at our very door, in this very Council. What are those reforms? We all know, My Lord, that for the governance of our own little self-governing body, a kind of *imperium in imperio*, we have rules and regulations which I confess I have found, ever since I joined the Council, to be such as to handicap a free and healthy discussion of any kind of subject. That is the thing. Are we or are we not going to reform our rules so that we may have that healthier discussion which everybody yearns for but

which nobody can get because of the limited time in which we are obliged to speak on a subject. Therefore, My Lord, I appeal to my friends and ask them whether they ought not now to take time by the forelock and see what rules and regulations might be amended. The foremost consideration or reform is this, that the time has come when we should really discontinue the form of speeches that are made. I refer to those manuscript speeches which are read to irksome lengths, and which take up the valuable time of the Council. That being so, I will say this, that looking backward to the time when this Council was young, say some twenty years ago, in the early days when the Council was expanded, what happened? There was a very keen critic of the Council and on-looker in the person of Mr. Arnold White. Having visited the Council on a particular day, he gave his impressions to the world at large. What did he say of the Council? This, that the Council was one of impressive silence—'impressive silence' in this sense: just as there was impressive silence among those grave Senators who sat in their senate hall on the Capitoline Hill when the gods thundered in Imperial Rome. That was the silence that the early Councils had. Others have said differently; but between that time and now much water has gone under the bridge. The pendulum has now swung from one extreme to the other. From impressive silence we have come to depressing manuscript eloquence, and I for one wish to see, My Lord, that this depressing manuscript eloquence might be discontinued for ever, buried in the limbo of oblivion. Let us turn over a new page, and go forward if our Council is really to be a useful Council for the purposes of healthy debate and discussion. What happens now, My Lord? Supposing there were another Arnold White looking on at this Council at this very hour, like a 'chiel among us taking notes,' what would he say? He would say—'I see before me a Council of grown-up schoolboys who, at the beck and call of their great Guru and authority there, rise in their places and read the products of the midnight oil, consumed for the purpose of preparing those foolscap sheets of paper.' We are grown-up schoolboys simply trying to read speeches prepared beforehand without rhyme or reason. I may perhaps offend some of my friends, but I feel very keenly on the subject, and I frankly confess that the time has come when we should reform our own Council. Begin at the beginning. Begin your self-government in this very Council and when you have reformed your Council here, you can reform the country at large.

"Having said so much, My Lord, on this matter, I now turn to that part of the Financial Statement in regard to which the Hon'ble Members, those stalwart Members sitting opposite me, one after the other gave us the other day their explanatory accounts covering a variety of subjects embraced in the Financial Statement. My old and valued friend, the Hon'ble Sir Claude Hill, who is at the head of Agriculture and other departments, gave us a very encouraging and very promising account of what his Department was doing for agriculture. Now, My Lord, more than self-government, I consider that the question of the improvement of agriculture is the question of questions, because upon agriculture everything depends, and unless we go on improving our agricultural industry, nothing will be done. The economic conditions to which many of my friends have referred will continue to be the same. I was glad to hear the other day from the Hon'ble Sir Claude Hill that he is going to improve things in many respects; improve our forests in order to get more timber which may be commercially exploited; have more agricultural departments, and so on. All these are concomitant and contributory means towards the improvement of agriculture generally which will eventually improve the desperate condition of the Indian peasant. The question of agriculture is the most important of all. I consider, My Lord, that where one grain of corn, or one ear of wheat grows to-day, or where there is one leaf of tobacco or cotton, there should grow to-morrow two grains, two blades, two leaves. Then, My Lord, the condition of the country will be changed. Then only, My Lord, will prosperity come. Then, My Lord, we shall be able to bear even greater economic burdens than we are at present undergoing.

"My friend, the Hon'ble Sir Claude Hill, referred to what the Government has been lately doing with reference to the stimulation of long staple

cotton. This is a very welcome announcement though not a new announcement. For, My Lord, looking back on the history of cotton during the last 75 years you will find that the Government has been spasmodically trying to do its duty in that respect, namely, to grow long staple cotton which will go a great way to enable mill-owners and manufacturers to weave finer classes of goods which may compete successfully in healthy competition with Lancashire. But all those spasmodic efforts hitherto have failed. I consider, My Lord, that the time has now come when the Hon'ble Sir Claude Hill should earnestly take up this question of the cultivation of long staple cotton in the country. I am sure, My Lord, he will earn the gratitude not only of mill-owners but of the country generally.

"Then as to other questions of agriculture, it should be remembered that our agricultural products are the wealth of the country; they are the fundamental wealth of the country. After of course keeping to ourselves all the articles and agricultural products which we may want for our domestic consumption, all the surplus exports that go out of the country are a source of the greatest wealth, and the greater the surplus exports of this kind the greater will be the wealth of the country, the greater wealth being not only of the State but of the people. After all, My Lord, it is finance that governs the country. As John Bright once said 'Tell me what are the finances of a country and I will tell you the condition of its people, the condition of its State.' A good Government must have good finance, and if you are to go on progressing you must have good finance, increasing finance. Then, My Lord, the agricultural industry is the first industry to which we must give our attention, and I am glad, My Lord, that my friend the Hon'ble Sir Claude Hill referred to it.

"Turning now to another subject, my old Madras friend, who has been a worker with me in the Indian National Congress, and who is now in charge of the Education Department, told us that the prospects of teachers have been improved. He also spoke on the question of sanitation. On the question of sanitation, there seems to be a bifurcation. A part of sanitation is under my friend the Hon'ble Sir Sankaran Nair, and another part, which is called Medical, is under the charge of Surgeon-General Sir Pardey Lukis. I was very glad to hear from the Hon'ble Sir Pardey Lukis the other day that he has as a trial instituted some establishments at Lucknow where granaries are improved with the purpose of giving better sanitation and destroying the rats, which with the fleas carry plague, which is such a great pest to the whole of India and which has already swept away something like twenty millions in the last twenty years. As to sanitation, I would appeal to my Hon'ble friend Sir Sankaran Nair for one thing. Sanitation in India is in a very rudimentary stage. We have only been giving attention to it for the last fifteen or twenty years, and it is still very rudimentary. Village, like town sanitation, is not very satisfactory. Therefore, My Lord, whatever is done in the future, I really hope that whenever the finances permit and whenever the Finance Minister does not sit on the Education and Sanitation Department, but liberally provides the money that the Education Minister wants,—I really hope that greater progress will be made in sanitation. For this reason—apart from education—the greater the sanitation, the greater will be the vitality. Your standard of vitality will be increased. Look at the enormous death-rate which we have had here for years together. I know as a matter of fact that for some years past the death-rate has been reduced, but still it is very high, something like 30 to 32 per thousand. Our birth-rate is on the whole very fair; but if we give an increased standard of vitality by a variety of sanitary and other measures, particularly for the working-classes who live in insanitary areas and have within their small wages to do many things which they are unable to do, then there would be some progress. Vital statistics are also important to the State. The larger the number of people living, the larger the number of people who are employed in industries, the larger the wages they can earn, the greater the well-being of the whole country.

"Then, coming to my friend, Sir George Barnes, who also said something about post-offices and trade, he said that the trade was very satisfactory. I also endorse his opinion that the trade in India has been satisfactory. But why? Look at the two-and-a-half years of this terrible war; look at

the immense sacrifices England is making to keep the trade routes safe notwithstanding all the terrible submarining that has been going on everywhere. Why ? Because there at the very door of the enemy, the gallant British navy, the invincible British navy I should call it, is keeping watch and ward safeguarding all the trade routes like the Warden of the Marches. That is the reason why our trade has flourished, and that is the reason why India has been very little disturbed as far as trade is concerned. No doubt our imports have decreased, but our exports have increased, and that is another point to which I would draw the attention of Members, because it will be seen that during the last two-and-a-half years the balance of trade is in our favour to a very large extent. We are complaining of the burden put upon us; we forget the other side, and I think those who are intellectually honest and politically honest should not forget that part of it, that the balance of exports is in our favour and that balance is a cause of wealth to the country. It is from that wealth that we are going partly to offer the hundred millions. This is considered a burden and a sacrifice. A burden and sacrifice it is for every patriotic country of course when it has to defend itself. Are we not to undergo any sacrifices at all ? Of course we are told that India is poor. But what does the poor man do when his wife or children fall sick ? He may not have a pie in his pocket, yet what does he do ? He goes and borrows. What are we doing ? We are borrowing, but we understand the depth of the sacrifice we are making for the future protection of the world and for the future protection of British India, and for that purpose I consider that any sacrifices will not be too great, and I think those are mistaken who talk of this sacrifice as a burden which poor India cannot bear. Poor India has been doing her duty manfully, generously, courageously and liberally. If we can do what all the rest of the Colonies and other people are doing, and if we can save an integral part of the British Empire, then any sacrifice that we may have to make even in the future—and I think we shall have to if the war goes on—should be cheerfully borne by us, and there should be no more criticism on the subject.

" Another little point to which Sir George Barnes referred to was in connection with the postal service. That service has been doing very well. I have been a student of all sorts of statistics, postal and telegraphic, and I may say that if any service in the whole of India has given rupee for rupee to the tax-payer it is the post office. I have always had the greatest admiration for the post office ; I have even greater admiration for the post office now that it is increasing its utility, and I say, therefore, that the post office service is really one of the most useful services where we get rupee for rupee I cannot say that about the class that one would call tax-eaters. When I come to the tax-eaters, I must say that the spending departments are spending too much even in this time when we want economy, and I would particularly refer to my friend, Sir Reginald Craddock, here who is in charge of the Home Department, I must say that the Civil Service charges are increasing day by day ; they are increasing at even greater ratio than the growth of revenue. The principle of taxation, the revenue which we in the first instance take from our land-revenue, and the taxation that has been put on the railways—I will speak on the railways a little later on—
* * * * * "

His Excellency the President :—" I am afraid not, Mr. Wacha ; not to-day. I am afraid your time is up already."

The Hon'ble Mr. D. E. Wacha :—" I admit, My Lord, that my mind is full of all these things, and therefore I cannot speak more ; but as I said I will once more congratulate my friend, Sir William Meyer, on the very able way in which he has of course discharged his duties as Finance Minister. No Finance Minister, I will say, for the last sixty years since the Budget system was introduced, has had to deal with such a difficult question at such difficult times as Sir William Meyer ; and it is to his credit that he has so courageously and successfully performed his duties. With these words I sit down."

The Hon'ble Sardar Bahadur Sundar Singh Majithia:—

"My Lord, allow me to offer to the Hon'ble the Finance Member my sincerest congratulations for the successful handling of the resources of the country in the present circumstances of the great war in which His Imperial Majesty's Government is engaged to safeguard the interests of, and to uphold the existence of, the weaker nations from being absorbed or crushed out of existence by the stronger. It is a matter of sincere congratulation that Sir William Meyer has been very considerate so far as new taxes are concerned. He has tapped the resources which are better able to bear the extra burden. It was extremely wise on the part of the Hon'ble Member to leave alone the land-revenue question. The taxation on land is already fairly high, and to make it heavier would have been injudicious. To explain more clearly, I would invite attention to the fact that the policy of land-revenue is based on taking up to half the nett profits of land. If a landowner has an income of, say, Rs. 1,000 a year, he is expected to pay into the State coffers Rs. 400 to Rs. 500 of the amount, while in the case of a person having an income from sources other than land of Rs. 999, he has not to pay a pie, and in case of his earning Rs. 1,000 he has to pay comparatively a very insignificant figure of Rs. 20 as income-tax. Some people say that a person liable to income-tax has to earn his money by the sweat of his brow. It may be true in his case, but in the case of a zemindar, tiller of the soil, My Lord, it is literally true. The prices of the produce of land have no doubt gone up considerably, but along with this it must be conceded that the cost of labour has more than trebled. The village kamins who used to help in the cultivation of land find it more paying to go to foreign countries, and even in India they can command higher and more paying wages than they could hope to get from their service in the fields. On the other hand, in many a home plague has wrought its ravages. It is, therefore, becoming extremely difficult for the zemindar to bring his harvest home. The holdings in the Punjab are not big enough to encourage a landholder to employ modern machinery to solve his difficulty. Its use, in a way, is prohibitive to the zemindar owing to its cost. Besides the above, My Lord, you have to consider that in case of a calamity befalling a zemindar by the death of his agricultural cattle the poor man has, unless he is fortunate enough to obtain Government help in the shape of taccavi, to go to the village bunia, and once in his clutches it is hard for him to get out. I do not mean to be hard on the village banker. He is in his way a useful member of the village community; but facts are facts, and they could not be denied. Government had to come to the rescue of the agriculturist and placed on the Statute-book of India the Land Alienation Act, and thus saved him from losing his paternal holdings. I, therefore, consider it very generous of the Hon'ble the Finance Member that he has not touched the incidence of the land tax, and may I venture to hope that Government would be generous enough not to add to the burdens of the tillers of the soil. The generous treatment of the most favoured Province in India—I refer, My Lord, to Bengal—enables it to head the list of the new war loan. It may be that Calcutta is a big commercial centre, but I trust I may not be very wrong if I attribute this success to the big zemindars of Bengal being well-to-do to be thus able to lay out their money in this profitable investment, which, according to a Punjabi proverb of 'Pun Nale Phahan,' both helps the Empire in its time of need and gives the monied man a chance of investing his savings to advantage. While on this topic it brings me to the needs of the agricultural community. India, My Lord, is pre-eminently an agricultural country, and nearly one-fourth of the revenues of the Government of India are derived from the land; but the methods of tilling the land are yet in their primitive stage. People have not yet taken to improved methods of agriculture, and Government also has become alive to the necessity of doing something in the matter only of late years. The foremost duty that a civilized Government has to discharge is to use the resources of a country, pre-eminently an agricultural one, to protect it from the inclemencies of the weather, and it is a matter of congratulation that irrigation works have had their proper share from the resources of the country. The Punjab is proud of its canal system—one of the finest in the world—and the Hon'ble Mr. Rose, who has given us his best in this line, I am sure, must be

glad that his labours in the Punjab are bearing such rich harvests. But, My Lord, the agricultural education of the masses has not yet received its full share of the Government attention, and a good deal has yet to be done, and with the sympathies of the head of the Department of Revenue and Agriculture, I have every hope that the needs of the zemindars will receive their due care and consideration. In every village we must have a model farm, and the young agriculturists must be practically taught to improve their old methods by giving up obsolete implements of agriculture and adopting more improved ones, now more easily obtainable in the country. Cotton, oil seeds and sugarcane have great fields before them. In the case of the latter, Government should put the zemindar in a position to compete with the bounty-fed sugar of the foreign countries largely imported into India. It is a pity that India should not be able to supply its own wants in this direction, and I am afraid, My Lord, this will not be possible with the primitive *kohlu* which the villager still plies leisurely. Large tracts of land should be given in suitable parts of the country and cane crushing and sugar manufacturing factories be established and helped to make the industry pay. I am glad that Government raised the duty on imported sugar and thus gave a sort of help to the local manufacture. In our primitive methods of sugar manufacture there is a good deal of waste, and improved machinery alone can save this. Another necessary factor to make the industry pay is to utilize the bye-products. So, unless the agriculturists are able to see and realize the advantages of improved methods, much cannot be done. I have every hope that the matter will receive the kind consideration of Your Excellency's Government.

"This brings me, My Lord, to the general education of the masses. I am an advocate of this. I claim to have spent some years of my life in the service of the community to which I have the honour to belong; the general masses are ignorant. They ought at least to know the three R's. The question of elementary education is engaging the attention of Government, and I am glad to find that Government is providing thirty lakhs for the improvement of the pay and training of teachers. But there is no doubt the question is bristling with difficulties. We Sikhs have started late in the field. Your Excellency will shortly be paying a visit to the home of the Sikhs, and I am sure Your Lordship will be glad to see that under the sympathetic care of the head of our Province, we are making a headway in this direction, and I have every hope that the education of the masses will receive Your Excellency's most gracious attention. We can only educate the masses through the medium of the mother tongue of the people. I am afraid, My Lord, in my Province the question of the medium of instruction has not received the attention that it deserved. It is not due to the fact that the Government was not alive to the question, but unfortunately the instruction so far imparted has been through a language which has had to be learnt by the youngsters first. When the question is considered from a broader standpoint, I am sure the Punjabis will give up their petty jealousies and prejudices on this vital question and give Punjabi—the mother tongue of the Punjab—its rightful place in the schools as a medium of instruction. Then and then alone real progress would be made. On the other hand, the question of making elementary education free and compulsory is beset with difficulties. There need not be much difficulty to make it free; it is a matter of the loss of a small revenue, but when we have to consider compulsion, the question is there. Punjabis in the villages are yet not in a frame of mind to take it quietly though the question has the support of every well-wisher of the country, but we in the Punjab must take cautious steps in this direction. Big towns must be the first to try the experiment, and profiting by experience gained the system of compulsion may be extended by degrees.

"My Lord, the great war has brought in sharp prominence the need of having an efficient army. Some time back the cry was in India for reduction of the Army expenditure and to give more for Education and Sanitation. These are admirable things in themselves and very necessary, too, but, My Lord, the necessity, and the foremost necessity, of a country is that the hearths and

homes of the people be protected. To do so we require men who are willing to fight for their King and country. I would, therefore, say with all the emphasis that I can command that we must put this question in the forefront of the needs of the Empire. So far the pay and prospects in the Army were very small. In fact it was notorious that a common labourer was earning more than a soldier. It is no wonder then that it was becoming difficult to get recruits for the Army, and that we were able to get them was mostly for the love of the sport, as they say, and an inherent idea of respect that service in the Army carried. But, My Lord, we cannot shut our eyes to the financial aspect of the question. We must make it worth the while of the men who are, so to speak, ready to shed their life-blood in the service of the Empire. In India, the higher ranks in the Army are not yet open to the children of the soil. There are no training institutions where officers could be trained. When so much is being asked for the education of the masses, is it not right to demand that India should be self-contained in this respect? I mean, My Lord, the necessity of the establishment of military colleges in the country. We must have military colleges, and the sons of the gentry and aristocracy should be trained to take their proper place in the service of the Empire and the defence of their country, which is proud to be a jewel of the first water in the diadem of His Imperial Majesty, the King-Emperor. I do not in any way decry the excellent leadership of the military officers. They have led us in many a field of battle bravely and victoriously, but it is the duty of the Government to train us to reach the higher rungs of the ladder. Our native officers have done splendid services. They, too, must have a chance of proving their merits in the higher fields of service; they must, however, have the necessary training. In this connection, I would bring to the notice of His Excellency the Commander-in-Chief that we, who belong to the gentry of the country, look with great disappointment to the, so to speak, closing of the door to direct commissions in the army. You cannot, My Lord, expect the young men of good families to start as common soldiers. It may be an excellent idea to make a man start as a common soldier, but it has no attraction for those who have socially a higher place in life. So, My Lord, the greater the need for the starting of some sort of military college for the regular training of youths of good families to fit them for direct King-Emperor's commissions in the army, I therefore hope that the matter would receive the consideration it deserves. It is most gratifying that Government have recognized the necessity and have given rations and kit free to the men in the army and have also raised the pensions. It was the just due of the men in the army. While on this subject I may be permitted to mention the New Defence of India Force Act. Government have made it compulsory for Europeans and voluntary for Indians. A step forward has been taken, but I wish Government had gone a step further and allowed Indians to volunteer for local service. No doubt His Excellency the Commander-in-Chief explained that he wanted men for actual defence of the Empire, and perhaps there were some difficulties in the way of being able to train and equip a very large number of men, but, My Lord, while I quite admit the force of this argument, it would have afforded us greater chances to serve the Empire, and, for aught I know, may have proved a less costly field of service for our young men, who may thus have been able to prosecute their ordinary college or school studies and have had an opportunity of getting the military discipline training necessary to fit them for the service of the Empire. In this respect the services of the retired Indian officers, recruiting officers and reservists may have been carefully employed and after the necessary training the military authorities may have been better able to pick up duly trained and qualified men for service in the regular army. My Lord, the call must be made in an Imperial spirit, and I am sanguine that India would respond to the call to duty. I can safely say of my Province that it has not lagged behind in the service of the Empire, and will not be found wanting in this respect. Start a home Militia for India, My Lord, and you will be equipping the man-power of India to be able to defend the Empire and incidentally their hearths and homes.

While dealing with the agricultural needs of the country, I made a mention about the sugar industry, and I trust I may be pardoned for saying a few words about other industries. Before this gigantic war the markets of the country were run over with cheap German products; even toys for children were imported from that country. Now Japan is in the field and is sweeping the markets with cheap goods. The railway train services in India had to be cut down because rolling-stock could not be imported. The stoppage of goods trains has dislocated trade seriously. Why ? Because parts necessary to replace the wear and tear of the rolling-stock could not be had in India. You can thus see, My Lord, the helplessness of the country. We have no industries. Cheap motor cars are imported from America, and there has not come into existence a concern which could be a pioneer in this direction. Take another case—the industrial and agricultural machinery must be imported, and in this war it has become an impossibility. Fortunately the Tata Iron Works are coming in so handy and they have supplied a good deal of the wants of Government. Similarly, if we had other industries, they could have not only helped to retain the wealth of the country from enriching the coffers of the Germans, but India would have been able to give much more than it has done so far in the present gigantic war. India should not and does not grudge free trade with the United Kingdom and the Colonies, which form part of the Empire, but I think she should be protected from the overflooding of her markets with cheap stuffs of foreign countries. Perhaps I am venturing upon a wider field, and I would at once admit that it is beyond my power to adequately deal with it; but I do feel that Government should protect, nourish and encourage the local industries to a greater extent, and make them able to take their proper place in the products of the Empire, if not of the World.

"I am glad that from this year the sanitation of the country claims a separate head of account in the Budget. In the villages, My Lord, a good deal has yet to be done. I must admit, on the other hand, that in this respect a great deal depends on the people themselves. Indians have naturally clean habits, but they have not got cleaner habitations. The school text-books should have lessons on the subject, and when once the young students imbibe these habits they would become second nature. We cannot force the pace in this respect, but there is a hopeful change, and people are taking more kindly to the matter, and though no doubt the education in this line should commence from the homes, if text-books in schools contained lessons on hygiene and the advantages of living in cleaner dwellings the young men would acquire a necessary habit which will stand them in good stead in their after lives. A good deal of public money flows to big towns for sanitary improvements and cleaner surroundings and streets, but I would strongly urge that villages, the inhabitants of which no doubt subscribe to the cesses, should have a greater claim on the bounty of the sarkar. The insanitary surroundings of the villages are affecting the physique of the coming generations. The pastures which were the necessary features of the villages of old have been brought under the plough. This has been unfortunate, as thereby these natural play-grounds of the juvenile inhabitants of the villages have disappeared. In olden times youngsters of two adjoining villages used to play cheap village games after meals till 11 or 12 in the night, and these used to keep them healthy. These pastures further afforded the milk-giving cattle of the village necessary grazing grounds and milk and ghee were plentiful. With the rise in the prices of these commodities and the transformation of pastures into green fields, the keeping of milk cattle has become a matter of costly luxury, and what with the adulterated stuff that we get in the bazars there is no wonder that the physique has deteriorated. I hope I will be borne out in this by the military authorities as the present-day recruits do not bear comparison with old ones in this respect. I therefore hope, My Lord, that for the sake of the general health of the village folk and the physique of the country, some steps may be taken to give the villages pasturages and incidentally the necessary play-grounds to the young men.

"Forests are the natural wealth of a country. These, too, would have disappeared but for the timely efforts of Government. They are being conserved

to advantage, and are helpful in retaining the moisture of the soil in it and attract more rain—a dire necessity of an agricultural country. Greater attention is being paid to the forest products and the policy that the country is not denuded of forests must have fullest support. In the Punjab the resin industry at Jallo is a paying concern to the Government, and there are vast fields for improvement in these directions. The scarcity of paper, which has forced Government also to use cheaper stuff for their publications, requires the ingenuity of the forest chemists and the forest officer to produce material for providing necessary paper pulp to meet the pressing demands of the country.

"Before concluding my remarks, I cannot help alluding to the topic of the war, which engages the attention of everyone. It is the duty of the Empire to do its utmost to bring this gigantic struggle to a successful issue. The services of India in this war were most ably enumerated by the Hon'ble the Finance Member, and it was only befitting that our resources should further be at the disposal of His Majesty's Government for the successful prosecution of the war. I was extremely sorry to read of a Resolution of my Hon'ble friend, Pandit M. M. Malaviya. I was myself unable to be present that day. I was, however, gratified to learn that he withdrew it after delivering a speech. I wish he had spared us the speech and the Resolution. I for one cannot have any sympathy with it. We must be true to our professions, and no sacrifice in the present struggle should be grudged. I may remind my Hon'ble friend of the peace that reigns in the country. I am sure he would not wish that it may be disturbed. While on this point, I am reminded of an old historical four-line piece of Punjabi poetry descriptive of a time when India used to be overrun with invasions. The lines are to this effect, and I trust I will be pardoned in reproducing it. It runs :—

'Aya nadir kal kure
Paiye kapahin phul kure
Ranan char paharin gayain
Mardan male chul kure.'

It eloquently describes the invasion of Nadir. A young woman addresses another saying :—

'Nadir has come, my sister, at the time of the flowering of the cotton plant.

'We women have been sent away to the hills and men have taken our places at the chulha to cook their food.'

"My Hon'ble friend and the people generally have been spared these inconveniences and they must be thankful for the peace that, in spite of the biggest war that the world has ever seen, reigns in the country. It is this peace that enables my Hon'ble friend and every one of us to be here to-day to discuss the Budget of the country. The Army and Navy of the Empire—thanks to their service—have staved off that unpleasant contingency, and one would be very unwise to begrudge any help that could be given to the Empire in crushing down Prussian militarism so that peace may abide in the country to enable the people and Government to launch out and promote schemes for the advancement and the well-being of the country. The Punjab does not grudge the contribution. No sacrifice must be spared in the present juncture, and though praying sincerely for the speedy and successful termination of the war, I can assure Your Lordship, and through Your Excellency, His Imperial Majesty, the King-Emperor, that our services in men, money and means are at the disposal of the Empire, and that Indians will not be wanting in their duty to the Empire in the present gigantic struggle. Our services are not for any rewards, our loyalty could not be bartered. We are part and parcel of the Empire and are proud to belong to it, and as such we are ever ready to shed our life-blood in the safety and defence of the Empire. The destiny of England and India is united and we rise or fall with it."

The Hon'ble Pandit Madan Mohan Malaviya :—"My Lord, I agree with my friend, the Hon'ble Mr. Wacha, that it is not desirable to have manuscript eloquence in this Council; but I fear that he has been a great deal too severe on those of our colleagues who have to resort to it because they have to speak in a tongue which is not their mother-tongue, and the mastery of which is a very very difficult task. I think, My Lord, that in view of the fact that many Members of Council find it necessary at present to read their speeches, the present practice should not be changed at least in the near future.

"Before I proceed to say anything about the Budget, I should like to associate myself with those of my friends who have already tendered to Your Excellency the thanks of the country for having abolished indentured labour. We also thank Sir George Barnes and the other Members of your government, and also Mr. Austen Chamberlain, nor can we omit on this occasion to express our gratitude to your noble predecessor, who sounded the death-knell of the system last year. We feel deeply grateful that this accursed system in which so much wickedness and unhappiness was involved has been abolished. The order probibiting it is, it is true, a temporary order—indeed I have no doubt—but I hope and trust that the indentured system is dead and dead for ever, and that it will never again be revived to be the means of unhappiness and wickedness in any part of the British Empire.

"I do not think I need repeat what many of my friends have said in appreciation of the manner in which the Hon'ble Sir William Meyer has met the situation in which he found himself, and I would rather confine myself to certain larger aspects of the Budget which arise from the discussion that has taken place to-day and on other days. The detailed discussion of the Budget has been so limited this year because of the fact that it is a War Budget, and we have had little fault to find with the disposition of the funds that have been raised. But, My Lord, there are two facts arising out of the Budget discussion of this year which call for consideration, namely, the fiscal position of the Government of India, the fiscal power and the general position of the Members of this Council. In regard to the first, I regret to think that the Government of India is really not in India but in London. I mean no disrespect to Your Excellency or your Colleagues in the Government of India, but I am sorry to say that not you but His Majesty's Secretary of State, is the Government of India, because it is an open secret, we all know it to our regret, that every matter of importance relating to the revenues of India must be decided by the Secretary of State for India. A few minutes ago my Hon'ble friend, Mr. Wacha, asked whether we were not a self-governing body; I honestly wish we were; but I regret to say we are not, because in all matters of importance the fiscal policy of the Government of India is laid down by the Secretary of State. The influences to which he is subjected decide for the time being what particular course is to be taken on any question. To-day it may be those who denounce the evil of supplying opium to China; to-morrow it may be the Lancashire merchants who do not want to lose any of their profits; the day after it may be the War Office which thinks that certain burdens should be cast upon India. The Government of India may protest; I gratefully recognise that they have protested on many occasions; but their protests have been in vain on too many occasions. Now, that being the position of the Government of India, I hope after the war is over, this will be one of the most important questions that will be taken up, and that the Government of India will be really established in India and removed from London. The second point is the constitutional position of this Council. I have already entered my protest against the manner in which the offer of £100,000 was settled. I do not mean any disrespect to the Government of India, but I feel it my duty to them and to His Majesty's Government, and also to my country, to say that while the Council is in existence, the decision on such a question by the Executive Government of the country is not a right thing. It shows as if this Council exists in name only and has really no fiscal power except to legalize taxation. Lastly, as regards the general position of the Members of this Council. While we feel grateful that His Majesty's

Government have invited representatives from India to assist the Secretary of State at the War Conference; we cannot conceal the feeling that, as it was on our recommendation that His Majesty's Government agreed to invite Indians to represent India at the Conference, it was due to us that we should have been consulted before the nominations were made. The Government would have lost nothing if that courtesy had been shown to the Council; on the contrary, there would have been a real feeling of satisfaction. We feel that we who offer our humble services free to the Government and who have a certain recognised status, as the chosen representatives of the people, should not be passed over when a question like that in which we have shown an interest is to be decided.

"These considerations lead me naturally to the larger question raised by my Hon'ble friend, Mr. Sastri and other Members of post-war reforms. We have been advised by some gentlemen that we should not refer to these matters. Those who offer such advice do not realise that Your Excellency told us in the opening speech of the Session that from May to October, that is before the Session, Your Excellency's Government were engaged in producing the memorandum to which you have referred and also the Despatch sent to the Secretary of State for India. That clearly shows that Your Excellency's Government realise that problems will arise at the conclusion of the war of considerable importance. With that statement of Your Excellency before us I feel that I am bound to refer to this matter. I do so particularly because as the Hon'ble Mr. Basu has said, this Council will not meet again till September. We are hoping that this war, this accursed war, will have come to an end and that His Majesty, the King-Emperor, will have been able to proclaim a glorious peace before that time. In that view it is not improbable that this question of post-war reforms will be taken up for consideration before we meet again. Your Excellency's Government has spent six months over the Despatch you have sent to the Secretary of State, and we, the elected additional Members of your Council, have submitted to you a Memorandum over which we spent a great deal of time and thought. The Indian National Congress and the Moslem League have also put forward a carefully considered scheme of reforms. There is thus no doubt much material before the Government to help it to come to a decision on the reforms. But, My Lord, we do not know what proposals Your Excellency's Government has made on the subject, and we request that you may be pleased, in fairness to the Members of this Council, to publish those proposals in order that we may submit our criticisms on them with a view to help the Government to arrive at a correct conclusion. I need hardly say that the question of post-war reforms is a much larger one now than it was before the war. As Mr. Lloyd-George said the other day, the war has changed us very much. It has changed the angle of vision in India as well as in England. I venture to say that the war has put the clock of time fifty years forward, and I hope and trust that India will achieve in the next few years, what she might not have done in fifty years. Some persons are frightened at the use of certain expressions; some dislike the use of the term 'home rule," some cannot bear to hear even of 'self-government on colonial lines.' But all will have to recognise that the reforms after the war will have to be such as will meet the requirements of the India of to-day, and of to-morrow, such as will satisfy the aspirations of her people. My Lord, among these reforms one of the most important forcibly suggested by the discussion on the Budget to-day is that India should enjoy a measure of fiscal autonomy, and that its Legislative Council, which is constituted by law, should be able to determine what taxes are to be raised and how the money raised should be spent. The action that has recently been taken by the Lancashire party in England, with reference to the increase made in the import duties on cotton goods, throws a lurid light on the need of having fiscal autonomy conferred on India. As regards the general question, we rejoice to think that His Majesty's Government is engaged in a righteous war, in the cause of liberty and justice, and the freedom of nations, small and great. From the beginning of the war we have offered our allegiance and have prayed for the success of His Majesty's arms. Before this war we admired England

because she loved liberty and had helped other nations to acquire freedom. We offered willing allegiance to England's King, because we had long read of—

> 'The England that rejoiced to see,
> Hellas unbound, Italy one and free;
> The England that had tears for Poland' doom,
> And in her heart for all the world made room:
> . . . . . .
> Accounting her all living lands above,
> In justice, and in mercy and in love.'

But the tremendous sacrifices which England has made in the present war, the sacrifices which have saved France from going down before such a deadly foe as Germany, the sacrifices which have helped Russia to continue to keep up a noble fight,—the sacrifices which her manhood and womanhood have made to re-establish the independence of many small nations, lead us to look forward with hope that the constitutional changes which will be brought about in India after the war will make Indians realise that the cause of liberty is as dear to Englishmen in the case of India as it is in the case of Russia, of Belgium, of Poland, and other parts of the world. My Hon'ble friend, Mr. Sastri, has already referred to the rapturous feeling with which the news of the recent revolution in Russia has been received here. Of all systems of government, we, Indians, have a great predeliction for the constitutional monarchy of England, and we rejoice to think that His Majesty, the King of England, should be the King-Emperor of India. But we desire that Indians should stand shoulder to shoulder with Englishmen as equal fellow-subjects, and that they should enjoy equality before the law and have an equality of opportunity for service in their own country, as Englishmen enjoy in theirs. Even so erratic and unfriendly a critic as Lord Sydenham whose articles have created some resentment in this country, has admitted that 'British rule in India can be justified only, if in addition to the maintenance of law, order and equal justice, it is directed to leading the people always onward and upward, bridging over the innumerable rifts which divide them, and smoothing the path to nationhood and self-government'. It is a noble task, says he, and so say I. But if the task is to be achieved, it is one that should be discussed between the Indian public and members of the English community. We trust Your Excellency and your colleagues will solve the question in a satisfactory manner.

"My Lord, it does not behove any one who is familiar with the conditions of India to say that Indians are not fit for self-government. It is my conviction that every people is fit for self-government, and that we, Indians, are most certainly fit for self-government to-day. If we do not ask for complete self-government to-day, it is because we have to satisfy our English friends also that we are fit for it. With one-third of India being still under the happy rule of Indian Princes, with 60 millions of the population being still successfully ruled by them, it seems very wrong for anybody to say that Indians have not the capacity for self-government. Secondly, we have now been under British rule for more than 150 years. We have had the benefit of English education, we have had the benefit of association with Englishmen, who have been nurtured in the free institutions of the West, and I submit, My Lord, that this is a sufficiently long period to further qualify us for being entrusted with self-government. Japan took a much shorter time to so qualify herself. In 1853 Japan was as helpless before a handful of Americans as were the Incas when Pizarro assailed them with two hundred men. They were islanders without a fleet, warriors without an army. Their condition was in every way unsatisfactory. In 1863, one of their cities was bombarded by a combind British, French, Dutch and American fleet. They could not then oppose the Westerners by force. In 1868, they put an end to their system of divided Government and restored their Emperor to undivided power and authority; and entered earnestly upon a course of reform and improvement. What happened? In the course of 25 years, by adopting the right system of Government, by making education compulsory throughout the country, by

making military conscription universal, by employing the best foreigners to train their youth for the most responsible positions in the State, Civil and Military, they were able, in the year 1895, to establish in the Chinese War their right to be regarded as one of the world powers. And a few years later earned greater distinction and glory in their war with Russia. I feel, My Lord, that if the Japanese who were so backward in 1853 were able in the course of 25 years to give such an excellent account of themselves, we, Indians, should be able to move similarly forward under the Government of His Majesty, our King-Emperor. The question of reforms has to be looked at from this point of view. Of course, this is not the time to discuss the proposals in detail. But I do trust that; in submitting proposals for reform to His Majesty's Government, Your Excellency will be pleased to fully bring to their notice the Indian view of the question, so that the solution that may be arrived at should be such as would satisfy the legitimate national aspirations of the people of India and redound to the glory of England.

"I will not detain the Council any more, My Lord, except to make one suggestion, and that is that this question of reforms which are to be introduced after the war, may be discussed in this Council in the September Session, and that a report of the discussion may be submitted to His Majesty's Government and the Secretary of State before they arrive at a final decision in the matter. It will serve to show them how strong is the feeling in this country, in favour of the reforms which we have recommended, and it will also show them what differences, if any, exist regarding them. If this suggestion commends itself to Your Excellency and your advisers, and is acted upon, it will give universal satisfaction throughout India, because the people will feel that in a matter of momentous importance to them, a decision was arrived at after giving their representatives a full opportunity to place their views before the Government."

The Hon'ble Mr. Mohammad Ali Jinnah:—"My Lord, it has been said that some of the Members instead of discussing the Budget strictly have diverted from it and discussed all sorts of other matters of public interest. But, My Lord, I have tried to understand the position of a non-official Member in this Council. Under our procedure, the Financial Statement is presented in the first instance by the Hon'ble the Finance Member, which was done on this occasion on the 1st of March. After that Financial Statement is presented, no discussion is allowed with regard to the general financial policy of the Government. But those Members who have followed the rules—and I have no doubt that most of the Hon'ble Members have followed them—do find that you can bring in Resolutions with regard to certain matters only, but you cannot possibly discuss in this Council the general financial policy of the Government of India, but that occasion arises after the event, so to say. Therefore, to discuss the Budget at this juncture, it seems to me, will be really flogging the dead horse because not a single item, not a rupee or pie, as far as I understand, can be changed now so far as the Budget is concerned. It does not matter what arguments, what reasons or grounds you advance. Therefore, My Lord, it seems to me that not much good will result by one taking up the Budget at this juncture and discussing it. But I would like to say this for this reason, that when this Financial Statement was introduced by the Hon'ble the Finance Member, I paid as much attention to it as I could, and personally I came to the conclusion that it was a well-balanced Budget. I think the Hon'ble the Finance Member has received so many congratulations and so many expressions of gratitude that he might well dispense with any such expression from me. But I do say this, that it was a scientific Budget, and what I feel, My Lord, is this, that as we go on the Budget will have to be prepared more and more on scientific principles and not in the orthodox way, as one of the Members was pleased to describe it.

"Now, with regard to the hundred millions which India has agreed to contribute, I take this view, My Lord, that, if I, as a component part of the British Empire, as a citizen of the British Empire, if I can stand here and urge upon the Government that the rights and privileges of a British citizen should be

given to me, I think I ought equally to be ready to bear the burden of the Empire. There may be differences of opinion on certain matters; and therefore, My Lord, I can tell you this, that on behalf of the people of Bombay, heavy as this burden is, it has been equitably distributed. Of course my friend, Mr. Wacha has said that we must not talk about sacrifices; but, My Lord, we are not talking about the sacrifices and the heavy burden in any grudging spirit, but in this spirit that the sacrifice is a heavy thing, that is to say, a person who can afford to pay four thousand million can pay four thousand million and suffer less than another person who cannot afford to pay a hundred million. Therefore, when we talk of India's burden and sacrifice, it is only really in that spirit that we speak and in no other spirit, and I am sure that the Government realise it, and I am quite sure that the people in England realise it.

"Then, My Lord, with regard to the sources of taxation that have been tapped as I said, we were not in a position to suggest any improvements in the Budget; we were not consulted really on the Budget, and it requires really very, very careful consideration before one can say that you can improve upon this Budget. I dare say it can be improved. But what I would suggest, My Lord, is this, that if there was some such system—a small committee may be formed—we have for instance in Bombay a Finance Committee with a view to discuss the policy of the Budget before the Financial Statement is prepared. I have no doubt that Government will receive a certain amount of help and that the Hon'ble the Finance Member will benefit by it.

"Well then, My Lord, that is so far as the Budget itself is concerned, but I must say that on this occasion it will be impossible really, as I said, to discuss the Budget only, and the reason, My Lord, that I want to address the Council at this late stage is this. I am fully aware that most of the Members must be thoroughly tired and so is Your Lordship, but there are, My Lord, one or two points which I want to bring to the notice of this Council. The first point, My Lord, is this in regard to the Indian Defence Force Act. The Indian Defence Force Act has become law; it is now more than three weeks, nearly a month, and when it was introduced and when it went through various stages and eventually it was passed, it has raised, as Your Lordship must have observed, very great hopes in the minds of the people all over the country, and it seems to me, My Lord, that the question is being neglected. First of all, all that we now know is that any one who wants to enlist himself can fill up the form, send it to the District Magistrate and it will be sent up in due course to the military authorities and they will do what is required. Now, My Lord, if we are really in earnest, if this door is going to be thrown open to the people of India, and if really the Government of India desire recruits, then I say, My Lord, we shall have to resort to more business-like methods than I can see up to the present moment. I would, therefore, suggest that the Commander-in-Chief, or whoever is responsible for this, should lose no time, because if you raise the hopes very high and then this measure is misunderstood and it is found that your intention was different from what we understood, there will be bitter disappointment which will be undesirable. Therefore, My Lord, if you are really in earnest, if you really want recruits, and I venture to say you can get recruits by the thousand, thousands, provided two or three matters are made clear. It might be said that I am speaking in a spirit of bargaining as it was said the other day. My Lord, any member or anybody who uses that word bargaining, I must say with due respect to him, that he does not realise the true meaning of the word bargaining. All that we urge upon the Government of India is this, there is at the present moment a bar to the people of India so far as the commissioned ranks are concerned. Is it bargaining, consistently with my self-respect as King's equal subject in my own country, to tell my Government face to face that this bar must be removed? Is it bargaining, My Lord, to say that in my own country I should be put on the same footing as the European British subjects? Is that bargaining? And I say, My Lord, that the sooner this question is taken up the better. There is a very, very strong feeling on this point and if this is put right, I can assure you, My Lord, that you will get thousands of young, educated men who will be willing to come forward in the service of their country and the Empire. As I say, My Lord, if that is made

clear and if we are in earnest, bureaus must be established in various centres in each Presidency, and we must be told authoritatively how many thousand men you want, and I assure you, My Lord, you shall have them. And when you have these various bureaus established in various centres, appoint some responsible men as the committees, because you will have applicants coming in. I do not wish, My Lord, to strike a note of an offensive character against that service which, in its own way is doing useful work, namely, the Police and the Criminal Intelligence Department, but, My Lord, as far as possible, that agency should be avoided, and the Police and the Criminal Intelligence Department should have nothing to do with the question of who should be accepted and who should not be accepted.

"Then, My Lord, there is one other matter that I wish to refer to and that is this. I was really grieved to hear my Hon'ble friend, Mr. Shafi, say that if we discuss or ask for any constitutional reforms, that will be embarrassing the Government. What surprises me, My Lord, is this, that my own countrymen should feel more as to what would embarrass the Government and what would not embarrass the Government than the Government themselves. Why does Mr. Shafi say that respectfully pointing out in this Council that such and such things should be done, is going to embarrass the Government? My Lord, Your Lordship was good enough to refer to that memorandum which I venture to say, as I was one of the signatories, was a well considered and well thought out memorandum, and Your Lordship was pleased to say that it would receive sympathetic consideration. My Lord, to that extent I personally say that at the present moment you cannot expect anything more. But, My Lord, this is the fear we have and I want to bring it to the notice of the Government and of Your Lordship. The fear we have is this. The Despatch from the Government of India has gone to the Secretary of State. We do not know what that Despatch contains; we have not the faintest idea. Is the decision going to be arrived at *ex parte*? That is what we are afraid of, and we urge upon you, My Lord, not to arrive at a decision *ex parte*, give us the opportunity of discussing this matter, and I would suggest (it is only a suggestion just as the Hon'ble Pandit Madan Mohan Malaviya suggested), I would suggest, My Lord, that, whatever reply may be given to that Despatch before you finally decide on this most vital question, give sufficient opportunity to at least allow the representatives of the people to confer with you at a round table before you finally come to any decision, and also give the public an opportunity to criticise it. Is that, My Lord, asking too much, that we should have our representatives consulted with regard to what reforms are going to be introduced? Is that asking for too much? Is it fair that the Government of India in their secret chambers at Simla or Delhi should form their own opinions and submit a Despatch to the Secretary of State for India, and that the whole question of the post-war reforms should be decided *ex parte* without anybody on the part of the people of India being represented or being heard by them. If, My Lord, those reforms are going to be real reforms, I take it that it is a very ordinary proposition that any statesman who wants to introduce any reforms will at least provide for a quarter of a century or half a century, because you cannot go on tinkering with your constitution every five or every ten years. Therefore, My Lord, it is a matter of the most vital importance to India that these questions ought to be considered most seriously and most carefully.

"Then, My Lord, there is only one more point while I am talking about reforms, of which Your Lordship must be aware because it has been repeatedly expressed in the papers, and that is, that if there is going to be an Imperial Council or an Imperial Parliament, India's place in that Imperial Parliament must be adequately represented You will ask me perhaps what I mean by adequately represented. My Lord, that is a question which requires detailed consideration, but I can say this at least at once that India's representation in this Imperial Parliament or Imperial Council should certainly be no less than any of the Dominions.

"Then, My Lord, there is only one more thing that I want to point out, and that is this. You have been thanked, My Lord, and I entirely join in

these thanks to Your Excellency, for taking the steps that you have under the Defence of India Act for stopping indentured labour. I do not wish, My Lord, to repeat what the other Members have said, but I can tell Your Lordship this that it has given the utmost satisfaction throughout the country; and the people of India do not feel more with regard to any other question than the question of this indentured labour for the simple reason that it was degrading, that it was a system not only in itself saturated with evils, but it helped to dishonour a civilised country like India that we should have such a system as the indentured labour system. That, My Lord, was the feeling which really was at the bottom of this strong agitation which Your Excellency must have observed.

"In conclusion, My Lord, I will say this, that the stand made by the Secretary of State for India with regard to the cotton duties has created one impression on my mind, and I believe that is the impression created on the minds of a very large section of the thoughtful educated people of this country, namely, that our battle was fought by the Secretary of State for India, who, although he had no knowledge or experience of this country, although an Englishman by birth, in spirit fought for us as our Government. And this is what is wanted. The personnel of the Government of this country, as Mr. Gokhale said very often, is foreign. It does not require any argument to establish that. But, My Lord, if you want India to care for your Government, to stand by you, to co-operate with you, what you want is that the spirit of the Government should be Indian, and that on occasions when the interests of India are likely to suffer and any injustice is going to be done our Government and those who are at the head of the Government should stand up for us and speak for us as any Indian would do. And, My Lord, Mr. Chamberlain did that, and, therefore, we find this feeling of profound satisfaction. This, My Lord, is all that I have to say and I would urge again upon Your Excellency most earnestly and most sincerely that, with regard to the Indian Defence Force Act, Your Excellency will bear it in mind. I say that, if the Government are in earnest, we are in earnest. We are ready, My Lord, but treat us as the King's equal subjects."

The Hon'ble Rai Bahadur Krishna Sahay:—"My Lord, I associate myself with the observation which has just been made by the Hon'ble Mr. Jinnah as regards the rules under which the discussion of the general aspects of the Financial Statement is permitted only at the fag end of the Session. It seems to me that the natural order of things under which this discussion should take place, if I may venture to say so, is after the Financial Statement is presented on the 1st of March and before the stage of discussion when Resolutions are brought forward. As it is we are to-day discussing a Budget which has already been settled in all its details, and nothing that we can say can make any alteration in it. I venture to put forward a suggestion for Your Excellency's consideration as regards the amendment of the rules for the discussion of the Budget, because it is shared not only by me, but amongst many of my friends in this Council

"To return to the Budget itself, if I were to characterise the Budget which the genius of the Hon'ble Sir William Meyer has placed before us, I would say that it constituted an irreproachable title-deed of India in the concerns of the British Empire. It will ever remain memorable for the contribution of one million sterling which India makes towards the general cost of the war, a contribution which is in addition to several other contributions in different directions which India has already made. It furnishes a proof of the share which this country is willing to bear in the burdens of the Empire, a share which is by no means inconsiderable if we bear in mind that India contributes something over 21 millions sterling towards the maintenance of an Army which has so often been employed for Imperial purposes.

"The Hon'ble Sir William Meyer has been the happy recipient of felicitations even on that hated aspect of the Budget, namely, taxation, not only for

what he has not done, but also for what he has done. He has been congratulated by more Members than one in this Council for not refraining from tapping sources from which money would have flowed easily, while at the same time tapping those sources from which money could flow without those sources being very much exhausted, in other words imposing taxation on those persons who are quite able to bear it.

"As regards general questions, it seems to me that the one which at the present moment emerges into importance is the reform in the Army to which eloquent expression has been given to-day by the Hon'ble Sardar Bahadur Captain Ajab Khan, who can speak upon this question with an authority which we of course lack. It seems to me that Your Excellency's Government may well take into consideration the reform in the Army which the whole country has placed before your Government on more platforms than one and in the public press; and I believe that the present is the psychological moment when the reform can be adopted with the greatest effect.

"Next to that, I will place the question of indentured labour. It is with profound satisfaction that Your Excellency's announcement has been received by the entire Press of India. I refer to the announcement prohibiting indentured labour in all Colonies, except in Ceylon and the Malay States. There exists great warmth of feeling on this matter. The system, My Lord, is so rotten that nothing short of abolition will do. It is inconsistent with the self-respect of the people of India that it should still continue here, and Your Lordship will earn the gratitude of the people of this country if at the earliest opportunity Your Lordship will abolish the system altogether.

"My Lord, so far as my province is concerned, I have no particular matter to place before Your Lordship, and in that respect I am in a happier position than the Hon'ble Mr. Sapru, who complained of the lot of his province."

The Hon'ble Sir William Meyer:—"My Lord, it is a source of great pleasure and pride to me, both as a Member of the Government and personally, that the proposals in the Budget, involving a great war contribution from India to our Sovereign Lord, the King-Emperor, have been received with such cordial appreciation in this Council and in the country. The Budget has hinged, of course, on this great contribution of £100 million, which has been gratefully accepted by His Majesty's Government and has, I am sure, made a profound impression all over the Empire. It is, as I have shown, when introducing the Financial Statement, the crown of patient endeavours we have made to help His Majesty's Government throughout the war. We could not have made such an offering before this without dislocating our finances to an extent which would have involved the most drastic measures in the shape of taxation, and would have entirely failed to secure the practical unanimity we have now obtained. Even as it is, our contribution has involved a very material increase in taxation, and enhancement of taxation is much more difficult in a country like India, as regards carrying it out equitably and without undue friction, than it would be in western lands. It is, therefore, the more satisfactory to us that there has been such general recognition of the fact that the burdens we have had to impose have been laid upon the shoulders best able to bear them. It would be Utopian of course to expect absolute unanimity in respect of fresh taxation, especially on the part of those who have to bear the brunt of it. But allowing for such inevitable grumbles, I do claim that we have ample evidence, which has been confirmed by the speeches made here to-day, that we have moved in the right directions. I think a remark made by my friend, the Hon'ble Mr. Bray, on the subject of the super-tax puts the matter in a nut-shell. He said—and I entirely agree with him—that my plan is not an absolutely ideal one, but it is the best I could devise, and as Mr. Bray has not been able to improve on it, or find anyone who could improve on it—why, he accepts the inevitable. That, I think, is the right way of looking at things. As to the apprehended effects of the operation of the tax in encouraging an unwholesome distribution of profits,

I do not myself apprehend any such after-effects; but if they should occur, then, as the Hon'ble Mr. Bray himself indicated, there is always the possibility of reconsidering things later on.

"It is particularly gratifying to me to have had a material part in satisfying a long-cherished wish of the people of India by raising the duty on imported cotton goods to our general tariff level, and I am sure that in the country generally there will be an echo of the gratitude that has been voiced in previous speeches for the support we have received from His Majesty's Government in this matter, and for the stout stand in defence of India's interests lately made by the Secretary of State.

"It is also extremely gratifying to us to find that our War Loan has started so well. As I said the other day, I have now every hope it may bring in a good deal more than the ten million pounds which I assumed for Ways and Means purposes in our Budget calculations. I hope my friends from Bombay will not be satisfied till they have caught up Calcutta, and that Calcutta in her turn will not allow them to catch her up. I want similar rivalries between the various less important centres. I am sorry to have to confess that my own Province of Madras has disappointed me, but I trust when my non-official colleagues from that Province go down there they will considerably improve matters, and that the Hon'ble Mr. Sarma especially will win for Madras the proud position which he claimed for her a little time ago.

"I should like, My Lord, to acknowledge very cordially the attitude of my non-official colleagues in respect of the details of the Budget proposals. There were many matters in regard to which, in ordinary times, it would have been quite legitimate for Hon'ble Members to move amendments on the Taxation Bills, or to put forward Resolutions on the Financial Statement. There has, however, been a most praise-worthy and patriotic recognition that this is a time when it is desirable that the hands of Government should be strengthened and not weakened, and our fiscal Bills have passed into law practically without opposition. There has indeed been a complete absence of acrimonious discussion and criticism; and the speeches to-day afford a further and most gratifying testimony to the attitude of our non-official colleagues. Their appreciation has been so cordial that I do not find it necessary to take up time, and stand between Your Excellency and the Council, in regard to more than one or two points.

"My Hon'ble friend, Mr. Bray, accused me of stealing the Railway profits. He said, it is true, that in my place he would have done the same and perhaps more also; so it is a great comfort to me to know that if I had to go to gaol I should be in the same boat—or I should rather say, in the same cell as my Hon'ble friend.

"But I can assure the Council that things are not so bad as that, and that there is no case of theft, either legal or moral. The Railway receipts are not a separate fund of which we are merely trustees, and which is quite apart from our ordinary revenues, such as the Paper Currency Reserve or the Gold Standard Reserve. They are an integral part of our general revenues, just as much as our receipts from Forests or Post Office, or any other commercial or *quasi*-commercial activities of Government, and we are entitled to use the receipts for ordinary purposes, just as in the old days, when the railways were producing a loss instead of a profit, general revenues had to make that loss good. I say then that even if we did apply the railway receipts very largely to ordinary purposes, we should not be doing anything wrong. I may remind my Hon'ble friend that the Prussian railways have always been extremely well managed, and yet the railway revenues there have contributed a great deal to the general administration of the country. However, although, as I have said, we might have done that, we have not done so. Not so very long ago I looked up the statistics on the subject, and I found that, taking the period 1899-1900 to 1913-1914, the last complete year before the war, we put more money into railways from general revenues, that is, in contributions to the railway capital programme, than those revenues derived from railways. Taking the period as a whole, general revenues paid into railways about £13 millions more than they received from them. So

it is not a question of plundering the railways for the sake of general revenues. Some purists might indeed say that we have put more than is necessary from general revenues into railways. During the war, things have of course been different. We have had large railway profits and we have not been able to put them all back into the railways. But I can assure the Hon'ble Mr. Bray that I do not look upon this as a matter for satisfaction. It is due to causes beyond our control not merely owing to the London market, from which we used to obtain most of our capital resources, being closed to us, but owing to lack of material. We cannot do more than we have been doing, and I quite agree with my Hon'ble friend that after the war there will be a great deal of ground to make up.

"We must do our best then, though I cannot of course commit myself in advance to the precise way of raising the money which I am sure my friend Sir George Barnes will be asking for.

"I must take friendly exception to my friend Mr. Basu's having described our expenditure on Delhi as an idle waste of money. As I explained the other day, we are just spending enough to keep things going, to keep the scheme alive. That scheme is one which was brought into effect by the *fiat* of the King-Emperor, and it is the deliberate policy of the Government of India and of His Majesty's Government at Home. My friend was not in the Council two or three years ago; but if he had been, he would have had a striking exhibition of the way in which Honourable Members from other parts of India endorsed the project of the New City. My friend was led into scriptural allusions drawn from the history of the children of Israel. I will only remark that, if he had studied the story in the right spirit, he would have seen that the future rested not with those who hankered after the flesh-pots of Egypt; not with those whose hearts fainted in the wilderness—though why my Hon'ble friend should liken this pleasant temporary abode of ours to a wilderness I know not; but with those who persevered, who went on and attained the promised land and the holy city. I would suggest to my Hon'ble friend that he should temper his materialism with a little faith.

"Then my friend, Mr. Dadabhoy, was solicitous about the opium arrangements with the Straits Settlements and other countries. I cannot divulge the secrets of these arrangements, but I can assure my Hon'ble friend that I drove good bargains, and that we are not throwing away money. Of course he will understand that when you get an agreement for, say, five years with a country to take a certain amount of opium from you year by year, you naturally give it at a reduction in price as compared with what might be obtained at auction sales to-day, but which might not be obtained in another year. I think an analogous arrangement is not unknown in my friend's profession. I have heard of, for instance, distinguished lawyers who contract themselves, if I may use the word to a Company, undertaking to take a fixed sum as consulting lawyers, whereas they might on occasion charge higher fees if they had not made this definite agreement.

"My Lord, I am most grateful to Hon'ble Members for the kindly references which have been made to myself throughout this debate. The Budget embodies, of course, the policy of the Government as a whole, but it has always been recognised that where there is hostile criticism the Finance Member must come in for a special share of it, and so it is perhaps not unfair that when there is eulogy he should come in prominently for that too. But I should like to pass on some of the bouquets which have been thrown at me, if I may use a stage metaphor, to Your Excellency and my Colleagues in the Council and, not least, to my friend Mr. Lowndes, who gave me most invaluable assistance in regard to the framing of the necessary legislation.

"I also want to acknowledge emphatically that for such successes as have been achieved, I am deeply indebted to the loyal and assiduous help I have received from the officers of the Finance Department. No Member of Council, for example, has ever had a more able and loyal lieutenant than it has been my good fortune to possess in the person of my friend, Mr. Brunyate, who has worked most assiduously by my side during a period of great stress and

difficulty. I could say much in regard to the constant help I have received from him, but I will spare his blushes, for his modesty is as great as his ability. Mr. Fell too has been a tower of strength to the military side of our Department and has carried out his difficult duties with tact and success which have elicited the warm appreciation of the late and present Commander-in-Chief, as well as my own. Mr. Gubbay has done yeoman's service for us in matters with which he has to deal as Controller of Currency; while I have had two most admirable Indian helpers in the persons of Mr. Mitra, the Controller of Accounts and Mr. Aiyar, my Assistant Secretary, who takes a very prominent part in the Budget work. I will not mention more individual names, but I should like the Council to understand that the officers and clerks of the Finance Department have given the State of their best. Speaking of clerks, I should like to tell the Council a little story. As I mentioned in my speech on the Financial Statement, there has been a great deal of accounting to be done with the War Office in respect of the settlement of details of what India has to pay and what His Majesty's Government has to pay under the Resolutions of the Houses of Parliament. The War Office was naturally anxious to have the accounts as soon as possible; but it was a most difficult task to evolve from a vast mass of documents clear, concise and convincing statements, and as I said the other day, Mr. Mitra's work in this connection, and the work of his office, have obtained most deserved recognition. But it was very hard work indeed, especially at the early stages. Well, on one occasion certain accounts had been promised to the War Office by the mail leaving Bombay on a particular date. Mr. Mitra and his men worked day and night, but unfortunately the difficulties were greater than had been expected, and the papers were got out a little too late to catch the last train from Simla connecting with the mail at Bombay. Some of the Indian subordinates consulted together and spontaneously resolved, in order to prevent the face of the Department being blackened, to hire a special train and to meet the charges out of their scanty pay. They made no boast of the matter, and it only came to notice accidentally. I need hardly say that as soon as I heard of it I gave instructions that the money should be repaid to them by the State. But that does not detract in the least from the merit of these humble clerks, and I am proud to be at the head of a Department which shows such a spirit among its rank and file."

His Excellency the President:—"This has been a notable Session and Hon'ble Members have, I think, every reason to be gratified with it. They have signified in no uncertain manner their desire to associate India with the sacrifices which our Empire has had to make in connection with this war, and I am glad to think that the Government of India, in making their offer of £100 millions to the Imperial Government, did not misinterpret the wishes of the Council. Some of you may have felt that the initiation of this policy, by the Government reduced the subsequent legislative proceedings to little more than a formality, but this, believe me, is a superficial view. I can assure you that, as regards the grave issues which this Budget has raised, we do feel our real dependence on your support. We have acted in your name and on the strength of the mandate which you gave us in your loyal Resolutions of the 8th September 1914, and the 24th February 1915; and we desired an endorsement of our actions which should go beyond the passing of the Bills necessary to give them legal validity. It was therefore with the highest satisfaction that I found you to be in practically unanimous accord with the Government in supporting the proposals we laid before you.

"I think you would all wish me to congratulate Sir W. Meyer on the skill with which he framed his Budget, on the lucidity with which he expounded it, and on the reception which it has received throughout the country. I do not minimise for one moment the heavy responsibilities which this Budget has placed upon us. There will be a sacrifice, not of luxuries, not of the frills and trimmings of civilisation, but a sacrifice in large measure of the necessities of ordered government, and one result must be arrested progress in education, in sanitation, in public works, and kindred subjects, which are in other countries the touchstone of civilised life. But we must not despair. Indian revenues for the last twenty

years have shown remarkable powers of recuperation and growth, and we have every hope that, once the war is ended, we shall find ourselves after no great interval with a substantial margin of funds for further social progress. Again, this very sacrifice—and mind you, it is a trifling one compared with the sacrifices endured by other countries and nations in this war—should stimulate us all in the direction of recuperative effort, especially in respect of industrial and agricultural development, so that we may not only, by increased production repair the ravages of this hideous war, but also meet the extra burdens which it has laid upon us. This war has made us realise as never before how we in India have been passing our great resources by. Thrown back on ourselves we have already increased our output of industrial products in several directions a hundred-fold, and this war will have proved a blessing in disguise if, through its teaching, we shall have learnt how great a field of enterprise lies open to us in the industrial and agricultural spheres, and how necessary it is to organise ourselves industrially. I verily believe, then, however conscious we may be at this moment of the extra burden which we have taken upon ourselves, that it lies in our own power to cope with it, and that some day, in consequence of our efforts, we shall look back to this war as the date of India's industrial birth. Time will show whether I am oversanguine in these views, but with all the earnestness in my power, I would ask Hon'ble Members to think them over and decide whether they do not see their way clear to co-operating with the Government of India in bringing about such a consummation. We have during this past Session had the benefit of your co-operation and advice in many matters. The Hon'ble Members for Commerce and Industry and Revenue and Agriculture have held informal but most useful Conferences with some of you on matters relating to their Departments, and I know that the Hon'ble the Law Member has designs upon some of our legal Members between now and the Simla Session. I see unlimited possibilities of usefulness in this direction and, as Hon'ble Members are, I think, aware, I am always personally grateful for any suggestions or advice which they can offer me. We are all members one of another and in the great task which is set before us, we can only succeed if we work together in the closest co-operation.

"It still remains for me to impress on you that it is our duty, the duty of each one of us, to secure the maximum response to India's war loan. In the first place, let us remember that every million that comes from India eases not merely the exchange difficulty which we are experiencing here, but through it, the exchange difficulty with which His Majesty's Government are confronted at home. Next, let none of us think that we have done enough until we have made the question of how much we can manage a matter of real thought and anxious contrivance. We are not asked to give outright, but to lend the largest amount which we can make available. Lastly, we want all to subscribe to the loan, and we can only get the countless millions to join in, if the duty and advantage of subscribing are fully brought home to them. And for this we want propaganda work, and the more unofficial that propaganda work is, the more satisfactory will be its results.

"I turn to the Indian Defence Force Act. Again, here, I see great possibilities, and I would ask Hon'ble Members to dismiss from their minds the suspicions which seem to be entertained by some with regard to the attitude of the Government of India in this matter. The Act is confessedly a war measure and therefore temporary, but it will prove a most invaluable experiment. We shall have—it is no secret, for he who runs may read—to re-organise our Indian Army after this war, and some form of second line force will probably be required. In the Indian Defence Force, raised temporarily under stress of war, there may lie the germ of such new second line. Do not ask us at such a moment as this to give answers to problems which will have to be solved at a time when there is more leisure. When that time arrives, then criticise, as you will, the Government in respect of its policy. But for the moment I would assure you that all the subjects of your criticism are engaging our most sympathetic consideration, and I would ask your co-operation in making this present scheme a success, but do not let it be marred on the ground that it does not contain all that you would desire.

"And is not the imposition of an extra duty on cotton goods, thus raising the import rate to our general tariff level, an event which of itself makes this Budget and this Session memorable? A grievance has thus been removed which has been for a long time a standing source of irritation. You will have noticed from the report of the proceedings in the House of Commons that the question of the Indian cotton duties will be considered afresh when the fiscal arrangements of the various parts of the Empire come to be reviewed as a whole after the war. I am sure that Hon'ble Members will agree that His Majesty's Government could not in the existing circumstances have gone further than they have done to meet India's wishes, and that none of you will question the desirability of the fiscal problems of the Empire being fully examined after the war in the light of the experience gained. The history of this recent incident in Parliament is highly encouraging to India. It has given you proof—if proof were needed—that India has true and staunch friends. It should give you confidence that, when the review of the Empire's fiscal system takes place, Indian interests will not be overlooked, but will be stoutly defended.

"Hon'ble Members will have noticed the communiqué which appeared in the Press stating that on military grounds recruitment of labour, except in certain cases, for places outside India will not be permitted, and the necessary rules under the Defence of India Act have been promulgated to secure this end. Incidentally, as a consequence, recruitment for indentured labour to Fiji, Trinidad and other West Indian Islands has come to an end. It is difficult to conceive that a traffic of this sort once ended can be revived. The Government of India welcome this result as much as Hon'ble Members, and I think we can all congratulate ourselves on the situation thus arrived at. In this matter we have had the benefit of consultation with many non-official Members, and I much appreciate the help and advice which they have been able to give us.

"The rate of progress which we were making in educational projects before the commencement of the war has necessarily been retarded by the present financial stringency—but the progress itself continues, and we have been able, in spite of the financial difficulties, to provide a substantial sum, 30 lakhs per annum, for the improvement of the pay and training of teachers, a subject to which I myself attribute great importance, and I hope that the sum thus granted will be productive of much direct benefit to education in this country. I wish, however, that we had been able to make greater progress in the two University projects which were sanctioned by the Secretary of State in the time of my predecessor, namely, the projects for Universities at Patna and Dacca.

"In the case of the Patna University, the Bill introduced last September has been discussed in Select Committee. There is a very strong local opinion in favour of the new University, and I had hoped that we might have passed the measure this Session, but we had decided that we could only pass it if it could be passed substantially without controversy, and it was only on Monday last that the Select Committee was able to come to a unanimous conclusion regarding the provisions of the Bill, so that it will now be necessary to defer its consideration until the September Session.

"As regards Dacca, I observe from a Resolution brought forward in the Council on Tuesday last that some apprehension has been expressed as regards the possible abandonment of the scheme for a University. These apprehensions were met by Sir Sankaran Nair with a clear affirmation of the intention of Government to adhere to the original intention of instituting a University at Dacca, and I desire to take this opportunity of confirming in the most distinct and unequivocal manner the promise made by Lord Hardinge that a University would be founded there. I can quite appreciate the anxiety of those interested in the scheme and their wish to obtain some concrete expression of Government's intentions in the form of a Bill before the Council. You have heard the promise given by the Education Member that he would be prepared to consider the possibility of introducing such a Bill next Session, but you have also heard the weighty reasons which he has given—reasons to which I personally attach

considerable importance—for thinking that it may be found advisable to delay legislation until we obtain the views of the proposed Calcutta Commission.

"The Commission will, I hope, begin its labours next November. Its exact size and constitution has not yet been settled, but I am glad to be able to tell you that I have secured as its President the distinguished educationist, Dr. Michael Sadler, the Vice-Chancellor of Leeds University. As those of you who are interested in education are aware, Dr. Sadler was for many years Director of Special Enquiries and Reports in the English Education Department and held till lately the Chair for the History and Administration of Education at the Victoria University of Manchester. In him we have obtained a first-class authority with an immense fund of information on educational problems, and a practical knowledge of their working in large cities under modern conditions. We may look forward confidently to securing under his guidance a careful study of University questions in Bengal and useful suggestions for improvement.

"Coincident with this Session has come the triumphant progress of our gallant troops in Mesopotamia. We have all admired the military skill and determination which has marked the leadership of our Army in the field, and we cannot forget the gallantry and endurance of the troops throughout the operations which have taken place under the most trying conditions. We need not worry over the question to whom, apart from the Generals and Army in the field, the credit of those operations is due, but I should be doing less than justice to India if I did not briefly touch upon the history of the past year. The fall of Kut marked the nadir of our fortunes. The Indian Army had been bled white in providing troops and equipment for four fronts. The breakdown on the medical side in Mesopotamia had brought a storm of obloquy on Indian administration. The hardships of a summer in Mesopotamia had decimated and sapped the strength of our troops. The sick pouring into India had placed a strain on our hospital resources, which were frankly insufficient. All this had to be remedied. It is not easy for men to concentrate attention on work when criticism, some true, much of it based on the flimsiest grounds, is showering down upon their heads. But the fact remains that the work has been done, and, so far as our resources have enabled us, I believe we have made up the deficiencies of a year ago. Am I going beyond the mark when I say that we ought to pay a tribute to the labours by which the late and the present Commanders-in-Chief and Army Headquarters have accomplished this and enabled General Maude and his heroic companions-in-arms to achieve the success over which we are rejoicing to-day? History will some day record its verdict on these events, and we are too near to them ourselves to be sure of our judgment, but three stages seem to stand clearly out—

The first in which India threw all she had, and far more than had ever been contemplated, into the great struggle.

The second, the inevitable breakdown, due in part to the exhaustion of our military resources, in part to adverse fortune.

The third, the patient building up again of the forces which has made our recent operations possible.

It is easy to be wise after the event, and we to-day can see how things might have been ordered differently. We hope we have profited by our failures, and have atoned for them and made provision against their recurrence.

"And now it is my privilege and pleasure to thank Hon'ble Members for their attendance and help during this last Session. We shall meet again, God willing, in Simla, but we shall miss when we re-assemble one familiar face. The Hon'ble the Home Member hands over his office, as you know, to Sir William Vincent next month. I think Hon'ble Members would wish me to offer him Godspeed and every good fortune in the high office which he will assume towards the end of the year. Hon'ble Members have from time to time found themselves in disagreement with the Home Member during the past few years, but none, I am sure, will deny to him admiration for his great administrative ability and experience, and his sterling integrity of purpose. It is one of

the pleasant features of political life—and I have never known it absent—that men, whatever their opinions, can recognise and acknowledge, when the dust and sound of strife have subsided, the virtues of those with whom they may have profoundly disagreed. I feel then I am voicing you as well as myself when I wish Sir Reginald Godspeed and good-luck.

"And now for ourselves. *Pereunt et imputantur*,—the hours pass and are laid to our account. Our Session is past and over. I trust and hope it will be accounted to us for righteousness.

"Before I sit down, let me read to you a message which reached me yesterday from the Hon'ble Mr. Lloyd-George—

'I wish, on behalf of the British Government, to express to the Government and the people of India our most sincere gratitude for the magnificent contribution which India has just made to financing of the war. Coming in addition to the enthusiasm and loyalty manifested throughout India on the outbreak of war and to the invaluable military services since rendered by the Indian army, this gift is to us a moving proof that India shares whole-heartedly with the other subjects of the Crown in the ideals for which we are fighting in this war. That India should come forward of her own accord at this crisis and render such real and opportune assistance is not only a source of sincere satisfaction to His Majesty's Government, but must produce a better mutual understanding among all the races and peoples under the British Crown.' "

The Council adjourned *sine die*.

PRINTED BY SUPERINTENDENT GOVERNMENT PRINTING, INDIA, DELHI.

EAST INDIA
(FINANCIAL STATEMENT AND BUDGET).

FINANCIAL STATEMENT AND BUDGET

FOR 1918–19,

AND

DISCUSSIONS THEREON IN THE LEGISLATIVE COUNCIL OF THE GOVERNOR-GENERAL.

Ordered, by The House of Commons, *to be Printed,*

16 *May* 1918.

LIBRARY OF THE ROYAL ASIATIC SOCIETY BOMBAY BRANCH

LONDON:
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased through any Bookseller or directly from
H.M. STATIONERY OFFICE at the following addresses:
Imperial House, Kingsway, London, W.C. 2, and 28, Abingdon Street, London, S.W. 1;
37, Peter Street, Manchester; 1, St. Andrew's Crescent, Cardiff;
23, Forth Street, Edinburgh;
or from E. PONSONBY, Ltd., 116, Grafton Street, Dublin.

1918.
PRINTED IN INDIA.

61 *Price* 3*s*. *Net.*

EAST INDIA (FINANCIAL STATEMENT AND BUDGET).

INDIAN FINANCIAL STATEMENT and BUDGET for 1918-19, and Discussions thereon in the Legislative Council of the Governor-General.

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY.

(*Presented pursuant to the Government of India Acts*, 1915 & 1916, *sec.* 26.)

Ordered, by The House of Commons, *to be Printed*,
16 *May* 1918.

LONDON:
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

To be purchased through any Bookseller or directly from
H.M. STATIONERY OFFICE at the following addresses:
IMPERIAL HOUSE, KINGSWAY, LONDON, W.C. 2, and 28, ABINGDON STREET, LONDON, S.W. 1;
37, PETER STREET, MANCHESTER; 1, ST. ANDREW'S CRESCENT, CARDIFF;
23, FORTH STREET, EDINBURGH;
or from E. PONSONBY, LTD., 116, GRAFTON STREET, DUBLIN.

1918.

PRINTED IN INDIA.

61 *Price* 3*s*. *Net*.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

FINANCIAL STATEMENT AND BUDGET

FOR

1918-1919.

CONTENTS.

	PAGE.	PARA.
Speech of the Honourable Finance Member presenting the Financial Statement for 1918-1919	**1**	**1—130**
Introductory	1	1—6
Revised Estimate of Revenue and Expenditure, for 1917-18.	2	7—19
Borrowing in 1917-18	6	20—27
Revised Estimate for 1917-18—Ways and Means	8	28—43
Currency and Exchange Difficulties	13	44—53
Budget Estimate of Revenue and Expenditure for 1918-19	17	54—65
Budget Estimate for 1918-19—Ways and Means	20	66—72
Next year's borrowings	22	73—76
Paper Currency and Gold Standard Reserves, and Exchange	24	77—87
Remarks on certain special heads	27	88—110
A.—Military Services	27	88—93
B.—Expenditure from special grants for Education, Sanitation, etc.	28	94—96
C.—Railways (Capital outlay)	29	97—102
D.—Irrigation (Capital outlay)	30	103—109
E.—Delhi Expenditure (Capital outlay)	31	110
Retrospect and Conclusion	31	111—130
Financial Statement, 1918-19—		
I.—General Statement of the Revenue and Expenditure charged to Revenue of the Government of India, in India and in England	40	...
II.—General Statement of the Receipts and Disbursements of the Government of India, in India and in England	42	...
A.—Statement of the Revenue of India, in India and in England	44	...
B.—Statement of the Expenditure charged to the Revenues of India, in India and in England	46	...
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England	50	...
D.—Statement of Revenue, Expenditure and Balances of Provincial Governments	54	...
E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England	55	...
Proceedings of the meeting of the Imperial Legislative Council held on 8th March 1918.	**57**	...
Proceedings of the meeting of the Imperial Legislative Council held on 9th March 1918	**123**	...

	PAGE.	PARA.
Proceedings of the meeting of the Imperial Legislative Council held on 12th March 1918	**141**	...
Speech of the Honourable Finance Member introducing the Budget for 1918-1919	**159**	...
Budget, 1918-19—		
I.—General Statement of the Revenue and Expenditure charged to Revenue of the Government of India, in India and in England	162	...
II.—General Statement of the Receipts and Disbursements of the Government of India, in India and in England	164	...
A.—Statement of the Revenue of India, in India and in England	166	...
B.—Statement of the Expenditure charged to the Revenues of India, in India and in England	168	...
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England	172	...
D.—Statement of Revenue, Expenditure and Balances of Provincial Governments	176	...
E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England	177	...
Memorandum explaining the details of the Estimates—	**179**	...
I and 3.—Land Revenue	181	9
II „ 4.—Opium	184	17
III „ 5.—Salt	186	21
IV „ 6.—Stamps	188	24
V „ 7.—Excise	190	30
VI „ 8.—Provincial Rates	192	35
VII „ 9.—Customs	193	36
VIII „ 10.—Income-Tax	195	39
IX „ 11.—Forest	197	45
X „ 12.—Registration	199	51
XI.—Tributes	201	54
1.—Refunds and Drawbacks	202	55
2.—Assignments and Compensations	203	57
XII.—Interest Receipts	204	59
13 and 14.—Interest Expenditure	206	64
XIII „ 15.—Posts and Telegraphs	209	70
XV „ 17.—Mint	211	76
18.—General Administration	212	79
XVIA and 19A.—Law and Justice—Courts of Law	214	83
XVIB „ 19B.—Law and Justice—Jails	216	88
XVII „ 20.—Police	218	93
XVIII „ 21.—Ports and Pilotage	221	98
XIX „ 22.—Education	222	100
23.—Ecclesiastical	226	109
XXA and 24A.—Medical	227	110
XXB and 24B.—Sanitation	229	115
25.—Political	232	124
XXIA and 26A.—Agriculture	233	128
XXIB „ 26B.—Scientific and Miscellaneous Departments	235	132
27.—Territorial and Political Pensions	238	137
28.—Civil Furlough and Absentee Allowances	239	138
XXII and 29.—Superannuation	240	140

		Page.	Para.
Memorandum explaining the details of the Estimates—*continued.*			
XXIII and 30.—Stationery and Printing		242	145
XXIV „ 31.—Exchange		244	148
XXV „ 32.—Miscellaneous		245	150
33 to 36.—Famine Relief and Insurance		248	159
XXVI to XXVIII and 38 to 41	Railway Revenue Account	250	165
XXIX—XXX and 42 to 43	Irrigation	253	175
	Major Works	254	177
	Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	256	184
	Minor Works and Navigation	257	185
44.—Construction of Railways charged to Provincial Revenues.		259	191
XXXI and 45.—Civil Works		260	192
XXXII „ 46.—Army		264	205
XXXIII „ 46A.—Marine		267	212
XXXIV „ 47.—Military Works		268	214
47A.—Special Defences		269	216
Military Services—Summary		270	219
Transfers between Imperial and Provincial		271	221
Capital Expenditure on Railways, Irrigation and other Works not charged to Revenue—			
Railway Construction		275	230
Construction of Productive Irrigation Works		278	234
Initial Outlay on the New Capital at Delhi		280	238
Ways and Means—			
Home Treasury		281	241
India		288	262
Appendices		293	...

Speech of the Honourable Finance Member

INTRODUCING THE

FINANCIAL STATEMENT FOR 1918-19.

Introductory.

MY LORD,

I rise to present the Financial Statement for 1918-19, and as usual there will be no debate to-day. As regards subsequent discussion we are this year, as Your Excellency has already informed the Council at the opening of the session, introducing a modification in previous procedure which will, I think, be appreciated. We propose, that is, before dealing with particular portions of the estimates to have a general debate on the Financial Statement as a whole, which will enable Members to discuss and criticise to more effect than in the debate that has hitherto taken place on the final Budget, and will give greater reality to subsequent Resolutions which are admissible with reference to loan or taxation proposals and grants to Local Governments, or in the later compartment stage. This discussion will commence on the 8th March and we shall subsequently proceed to the stages at which specific Resolutions will be admissible.

The Budget in its final form, with such alterations in the Financial Statement as may be required by later information or suggested by the discussions in Council, will be presented on the 22nd March. After that there will be no further discussion, the lifeless Budget debate of previous years being superseded by the general discussion on the Financial Statement above referred to, which, as I have said, will enable criticisms to be put forward at a time when our proposals are in a less rigid state.

2. We must again, unfortunately, assume that the war will continue throughout the coming year. That means a continuance, in probably aggravated form, of some of the special problems which I shall presently have to describe to the Council; and as I have said on previous occasions the constantly changing circumstances of the war materially add to our difficulties in estimating. We must go cautiously, and when the results turn out better than we anticipated, it is a matter for congratulation and not for criticism.

3. The general situation I have now to describe is in many ways similar to that outlined in my speech last year. The revenue position is again excellent. Our Railway receipts have once more broken the record, and far exceeded the figure estimated in the current year's Budget. The result is that we are able to face with equanimity a considerable increase in military charges. Our financial embarrassments, as I shall presently show, are mainly due to ways and means questions. We have had to incur here on behalf of His Majesty's Government constantly increasing expenditure which is repaid to the Secretary of State at home. Simultaneously there is serious and growing demand on our resources to finance the shipment of materials required for the prosecution of the war, and of the food-stuffs which the Allies and many portions of the Empire are drawing from India. The account which I shall give later on of the calls which we have had to meet will be a sufficient indication of the anxieties which the year now coming to a close has brought with it. To meet these demands we have had to ask the trading and financial community to submit to restrictions on their operations, and to share to some extent in the general financial burden. I fully recognise and acknowledge the spirit of co-operation with which these restrictions have been accepted.

But I may quite legitimately claim that we on our part have at all times taken our full share in responding to the calls in question. We have been materially assisted in this endeavour to meet our responsibilities by the continued expansion in our currency note circulation, by the gratifying results which have been achieved by the War Loan, by the substantial success of our issue of post office cash certificates, and, latterly, by the material addition to our resources which we have received through the sales of Treasury Bills.

4. Our satisfactory revenue position is largely due to favourable agricultural conditions. The south-west monsoon of the current year was exceptionally bountiful and prolonged, and such damage as has been sustained by crops, as regards cotton for instance in some provinces, has been due not to deficiency of rainfall but to excess. The recent winter rains have been defective in the north and centre of India, but, speaking generally, the copious south-west monsoon has rendered this deficiency far less serious than would otherwise have been the case. I may add that the area under wheat, which shows an increase of 3 per cent. over the area finally reported last year, is the highest on record.

5. Trade conditions have on the whole been very satisfactory, in spite of the shackles placed upon them by difficulties in respect of railway transport and ocean and coasting freight, and the restrictions which military and political considerations have required us to impose on a variety of imports and exports. The total volume of the private sea-borne trade in 1916-17 was much the same as in 1915-16, though, as a consequence of the rise in prices, the recorded value shows an excess of about £40 million, of which one-third occurred under imports and two-thirds under exports. The excess of exports over imports reached the record figure of £54 million as against £40 million in 1915-16. The financing of this large excess at a time when the ordinary adjusting method of imports of specie on private account is precluded has been, and remains, one of the principal problems which we and the commercial community have had to face.

6. The current year, so far as this can be gauged from the figures of the first nine months, shows little variation from its predecessor. The exports and imports of merchandise show a balance of £38 million in favour of India—reduced to £24 million by private imports of gold, which, however, as I shall shortly explain, have been acquired by Government. Practically the whole of these gold imports have come to us from Japan and America, in liquidation of payments due from these countries for purchases of our products which they have not been able to adjust through exports of merchandise to India.

Speaking roughly, of £108 million of exports in the first nine months of this year—grain, pulse and flour represent £27 million; raw and manufactured cotton £25 million; raw and manufactured jute £21 million; and tea and tanned hides between them £10 million. Over half our imports represent yarns and cotton goods, and sugar.

The available results of this year's trade operations have thus disproved the gloomy prophecies made in some quarters as to the prejudicial effect on trade of the restrictions which, for the reasons explained in my speech last year, we found ourselves compelled, in view of the larger interests involved, to impose on the Secretary of State's Council drawings. Similarly, there is nothing in the trade statistics to support analogous apprehensions that the raising of exchange in August last would re-act on our export trade. As I have said on previous occasions, these factors are of minor importance compared with the difficulties of obtaining freight, and cannot affect the demand for our produce and manufactures so long as war conditions secure these against the competition which India would ordinarily meet with in the world's markets.

Revised Estimate for 1917-18. Current Revenue and Expenditure.

7. The general position is brought out in the following table, which compares the current year's Budget and the Revised Estimate now put forward :—

[In millions of pounds.]

	Budget, 1917-18.			Revised, 1917-18.		
	Imperial.	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue	**66·420**	32·451	98·871	**76·677**	33·724	110·401
Expenditure . . .	**66·284**	32·549	98·833	**70·852**	31·468	102·320
Surplus (+) or deficit (−) .	**+·136**	−·098	+·038	**+5·825**	+2·256	+8·081

Revenue and Expenditure—Imperial.

8. As regards Imperial transactions, it will be observed that we are over £10 million better under revenue, while our expenditure has increased by about £4½ million, leading as a result to a surplus of £5·8 million against £136,000 estimated in the Budget.

9. Nearly half of the total increase in Revenue is due to *Railways*, which have once more broken the record in respect of receipts, in spite of the hampering of our sea-borne trade by scarcity of freight and other war restrictions, difficulties in respect of coal, continued deterioration (owing to lack of renewal facilities) of permanent-way and rolling-stock, and the pulling up of some lines to provide railway material for Mesopotamia. The following table compares the results as anticipated in the Budget with those now forecasted, and brings in for purposes of comparison the actuals for 1916-17 :—

[In millions of pounds.]

—	1916-17.	Budget Estimate, 1917-18.	Revised Estimate, 1917-18.
Gross receipts	41·8	41·3*	45·5
Working expenses, including payments of surplus profits to Railway Companies	20·7	21·7	21·7
Net receipts	21·1	19·6*	23·8
Add—Receipts from Subsidised Companies and miscellaneous receipts in England.	0·2	0·1	0·2
Total receipts	21·3	19·7*	24·0
Deduct—Interest charges and some miscellaneous expenditure.	13·8	14·1	13·9
Net profit on Railway	7·5	5·6*	10·1

In framing the current year's Budget we allowed for a slight decrease under gross receipts as compared with the, at that time, record figures of 1916-17, and added to the working expenses in order to cope, as far as the circumstances of the war permitted us, with the demands under renewals caused by the heavy work imposed on our lines and rolling-stock. The very favourable agricultural conditions which India has enjoyed have more than counterbalanced the *prima facie* unfavourable factors referred to above, with the result that we have a large expansion in gross receipts; and as regards net profits, an excess over the Budget of £4·5 million.

10. We have also a considerable increase under gain by *Exchange*, which is mainly due to the fact that in August last the Secretary of State raised his rates for Council Bills to 1*s.* 5*d.* per rupee in the case of immediate telegraphic transfers, and 1*s.* 4$\frac{29}{32}$*d.* in the case of other Council drafts. Before this, too, the figures had been 1*s.* 4$\frac{1}{4}$*d.* and 1*s.* 4$\frac{5}{32}$*d.* respectively, *i.e.*, in excess of the normal 1*s.* 4*d.* we take for adjusting our rupee transactions in sterling.

On the other hand we have sustained actual loss on some of our rupee coinage by reason of high silver prices, and it has been decided to take this loss against our exchange gain and not to debit it to the Gold Standard Reserve, which was not intended to deal with a situation in which the bullion value of the rupee exceeded its value on coinage : allowing for this our total net gain under this head amounts to £1 million.

11. Under *Salt* we have an increase of nearly £1½ million,† due to large advance payments in Northern India to secure priority of issue from the stocks there. In November last these indents had so accumulated that it was estimated that it would

*These figures are less than those taken in the Budget by £500,000, the sum estimated as the proceeds of the small surcharge we levied this year on railway goods traffic. This surcharge was subsequently treated as a tax, and the proceeds brought to account under Head XXV—Miscellaneous. Consequently, for purposes of comparison, it is omitted here.

† I give round figures throughout.

take more than a year to clear them off, and accordingly the receipt of further indents was stopped, a measure which will be reflected in a reduction of revenue in 1918-19.

12. Under *Customs* we have an increase of over £1·7 million, due mainly to higher prices which affect our *ad valorem* duties. The increase is most marked under cotton piece-goods (£810,000), while tobacco, silver bullion, sugar, articles of food and drink and miscellaneous manufactured articles are also appreciably better. We have likewise increases of £150,000 under excise duty on cotton manufactures, and £120,000 under the export duty on rice.

13. Other heads of revenue which show material increase are :—

(1) *Posts and Telegraphs.*—£150,000, owing to favourable agricultural and trade conditions.

(2) *Mint.*—£390,000, due mainly to seigniorage charges on new rupee coinage, to cover the cost of Mint establishments and other coinage expenses.

(3) *Interest.*—£150,000, due mainly to temporary investment of the Secretary of State's large cash balances, and to fresh investments made on behalf of the Paper Currency Reserve.

In the Revised Estimate for 1916-17 and in the Budget for the current year we set aside, in all, £600,000 of the additional interest derived from our expanded Paper Currency Reserve investments for a Paper Currency Reserve Depreciation Fund, intended to make good the difference between the original purchase price of our consols holding in the Paper Currency Reserve and its value at current prices—*vide* paragraphs 12 and 53 of my speech introducing the last Financial Statement. The current year's Budget provision for this purpose amounted to £200,000: we now increase this to £450,000, which at present prices will raise the Depreciation Fund to the full limit required.

(4) *Income-Tax proper.*—£910,000, due to larger profits in various trades as a result of war conditions—of which £550,000 occurs under the Income tax head itself, while we realise £360,000 by special payments from the provinces. Income tax is a divided head, the proceeds of which are normally shared in equal proportions between Imperial and Provincial. But in order to obtain for the Government of India the full advantage of the increase in taxation imposed for Imperial purposes in 1916-17, the provinces have, as explained in paragraph 59 of my speech introducing the Financial Statement for that year, to pay to us what would normally have been their share of the proceeds of the additional taxation in question.

Against this, however, we have to set off a slight decrease of £70,000 under *Super-tax*, the receipts from which we estimated in the Budget at about £1⅓ million. This figure had to be taken very roughly, and it is satisfactory that it has been so closely worked up to.

(5) *Miscellaneous.*—£330,000, which includes £150,000 additional receipts in respect of the railway freight tax imposed this year (*vide* foot-note to paragraph 9), *i.e.*, the yield of the tax is now estimated at £650,000 instead of £½ million.

(6) *Excise.*—£180,000, owing to favourable agricultural conditions. The bulk of the increase under this head falls, however, to the provinces, and the above figure represents the Imperial share only.

14. The only revenue item which shows any considerable decrease is *Opium* (£320,000), owing to the fact that we were not able, without going below the upset price we had fixed, to dispose of as much as we anticipated at some of our monthly sales in Calcutta—by reason of freight and exchange difficulties, and the dealers having considerable stocks in hand. The loss would have been heavier but for some counterbalancing increase owing to additional supplies to the Straits Settlements Government.

15. The increase under Expenditure (£4·6 million) occurs chiefly under *Military charges.* The total net military expenditure for the current year was placed in the Budget at £25·9 million, including a reserve of about £700,000 to meet unforeseen charges. It is now estimated to amount to £28·8 million—an excess, that is, of £2·9 million. The increase over specific provision, which is due to war

preparations and requirements, amounts therefore to £3·6 million and occurs mainly under the following items :—

(*a*) Additional outlay on rifles and ammunition	£900,000
(*b*) Grant of increased pay to British troops, following on the measures lately adopted by the Home Government	£520,000
(*c*) Larger expenditure on port defences, representing mainly the cost of mine-sweeping	£470,000
(*d*) Increased expenditure on guns, machine gun squadrons and mechanical transport	£200,000
(*e*) Increased railway charges in connection with larger movement of troops and stores	£140,000
(*f*) Larger outlay on military works including frontier roads and hospital buildings	£710,000
(*g*) Frontier operations, mainly connected with the Mahsud Expedition	£140,000
(*h*) Formation of the Indian Munitions Board	£140,000

16. Under *Political* we have likewise an increase of expenditure on the South Persia Rifles, a corps raised to assist the Persian Government in maintaining order in tracts in which British interests are specially concerned with reference to present war conditions. While such conditions prevail, the cost of this corps is borne by ourselves and His Majesty's Government in equal proportions. It is now estimated that our moiety will amount to £900,000 for 1917-18, including £210,000 of expenditure which really belongs to 1916-17, but will be adjusted in the current year's accounts. Against this, however, we have a Budget provision of £300,000, thus reducing the real excess to £600,000. On the other hand, there is a saving on other political expenditure in Persia which reduces the total excess under this head to £440,000.

17. The only other material increases over the Budget are :—

(1) *Interest on debt.*—£690,000, due to provision for discount on our Treasury Bills. When we issue ordinary loans at a discount, the accounts procedure is to credit the receipts at par value and to show discount as an interest charge. We follow the same procedure in regard to Treasury Bills.

As regards outlay in connection with our war contribution of £100 million to His Majesty's Government, we set aside £6 million for recurring charges, in respect of this amount, including (*a*) interest on money raised by loan in India and made over to His Majesty's Government, (*b*) interest on the balance to be taken over in the shape of Home war debt; and (*c*) sinking fund provision. I explained in paragraph 58 of my speech introducing the last Financial Statement that we were provisionally debiting this amount to the head Interest, and on further consideration it has been decided to maintain this allocation. The fact that our war loan receipts in India have been so much larger than we anticipated does not affect the total here, since it involves a counter decrease in the Home war debt taken over and the interest thereon.

(2) *Miscellaneous.*—£520,000, the chief item being £400,000 on account of stores lost in transit between England and India.

18. We thus, as I have already said, obtain an Imperial surplus of £5·8 million against £136,000 taken in the Budget. This satisfactory result is due in the main to the favourable agricultural conditions with which we have been blessed, and their results as reflected in the still further advance of Railway earnings. Our betterment here, together with the improved Provincial balances to which I shall refer directly, has been of material assistance to us in dealing with the very difficult situation we have had to cope with in respect of ways and means transactions.

Revenue and Expenditure—Provincial.

19. We estimated in the Budget that the provinces, in the aggregate, would obtain a revenue of £32·4 million and spend £32·5 million, leaving a deficit of about £100,000, which would be made up from their balances. The present figures indicate a revenue of £33·7 million and an expenditure of £31·4 million, thus leading to an aggregate Provincial surplus of about £2·3 million.

The improvement under revenue, which is most marked in Bombay, the United Provinces, the Punjab and Bengal, occurs mainly under Excise (£540,000) and Forests (£400,000). There is also a nominal increase of £470,000 under Income Tax; but that is largely set off, as indicated in paragraph 13 (4), by a payment to the Government of India under the head Transfers between Imperial and Provincial.

The decrease of about £1 million under expenditure, which is largest in the Punjab, Bombay and Bengal, is due to anticipated lapses in Budget grants, mainly in respect of civil works, education, police, and the profits from the wheat purchase scheme of 1915 allotted for outlay on agricultural objects.

The aggregate Provincial surplus goes, of course, into our balances, to the credit of the provinces concerned.

Borrowing in 1917-18.

War loan operations.

20. Before going on to our ways and means transactions, I should like to say something about our borrowing operations in the current year.

Our net borrowing at Home is a *minus* quantity as, while raising no fresh money there, we have paid off £2·1 million in the shape of India Bonds and Railway Debentures falling due.

The War Loan we floated in India in various shapes was, as announced prior to its flotation, intended to be made over to His Majesty's Government for the purposes of the war, and to form part of India's total war contribution of £100 million which was offered with such general approval. The balance of the said £100 million was to be defrayed by our taking over a portion of the previously existing Home War debt.

21. Having regard to the anticipations of my expert advisers and the necessity for caution, I was unable, in connection with the current year's Budget, to estimate the total amount of the War Loan at more than £10 million, though I expressed the hope that this might be materially exceeded. That hope has been justified to an extent far beyond the anticipations of the most sanguine expert, as will be seen from the figures below, which are in millions of pounds.

Main Loan	26·6
Postal Section	2·9
Cash Certificates	6·6
Total	36·1

The figures under the main loan and its postal section represent actuals, payments having been closed on the 15th October, and they include, under the main loan, £4 million actually received in March 1917 (our loan, it will be remembered, started on the 15th of that month) and a little over £1 million allowed to be tendered in England, on certain special conditions, in the shape of Home Treasury Bills, which were exchanged for allotments in the Indian War Loan. The cash certificates, which were introduced as a permanent measure, continue to yield money. The actual receipts up to the end of January amounted to £6,400,000, and we estimate that £200,000 more will have been received in the last two months of the year.

This splendid response to our loan is due in great measure to the patriotic propagandist work of Provincial and District War Loan Committees working under the auspices of the Heads of Provincial Governments, as also to the cordial co-operation of the Presidency Banks, especially those of Bengal and Bombay. The Bank of Bengal made special arrangements for advancing money, to be repaid in gradual instalments, to persons who wished to subscribe to the loan but had not funds immediately available. The Government also assisted its officers in this respect by a scheme under which these were enabled to subscribe in ten monthly instalments to be deducted from their pay—a scheme which was supplemented by the Presidency Banks in regard to officers who wished to spread their payments over a longer period.

22. The surprising response to the loan had, however, one disadvantage. The Public Debt Office was absolutely overwhelmed by the volume of the work suddenly

thrown upon it, and in spite of the utmost exertions of the Bank of Bengal, which manages this office, and whose staff had previously been depleted by a number of its officers going to military service, there was considerable delay in the issue of scrip. I may say that steps have been taken to prevent any such complaint in respect of next year's loan by simplifying and decentralizing arrangements as far as possible.

23. Taking the various forms in which the loan might be subscribed to in the main section and its post office ancillary, the results are as follows:—

[In millions of pounds.]

5 per cent. long-term Loan of 1929-47	8·3
5½ per cent. 3-year War Bonds	13·2
5½ per cent. 5-year War Bonds	8·0
Total	29·5

It will be seen that, in spite of the conversion facilities it carried in regard to previous loans, less than one-third of the total was realised from the long-term loan, and that the 3-year short-term war bonds received a material preference over the 5-year.

It is interesting to note that the great bulk of the applications in all three issues were fully paid up, the percentage of such applications varying from 75 per cent. in the case of the long-term loan to 89 per cent. in the case of the 5-year bonds.

24. As regards the cash certificates, the nature of which was explained in my speech introducing the last Financial Statement, these have come to stay, and the results this year have been most gratifying, the total figure (£6·6 million, of which only about £300,000 was found by withdrawals from existing postal accounts) being in excess of any previous year's regular borrowing in India. It will be remembered, however, that, although the normal currency of our cash certificates is for 5 years, we undertake to repay them on demand, though of course at some sacrifice of interest. Such withdrawals, on the basis of the latest statistics, will amount to about £600,000, thus leaving the net receipts at £6 million.

I look forward with confidence to the continued operation of this scheme as establishing a valid and welcome *nexus* between Government and the really small investors; and as an illustration of this I may say that 6 per cent. of the subscriptions to the post office section of the loan came from people who put in Rs. 100 or less, and that the purchase of Rs. 10 cash certificates accounted for about 21 per cent. of the total receipts under that head up to the 15th October.

25. Taking the British provinces, in respect of the main and postal sections, and of the actuals already available as regards cash certificates, Bombay heads the list with a total subscription of 14 crores, followed by Bengal with nearly 12 crores, and by the Punjab with a little over 6. As a Madras officer, I must express my disappointment that my Presidency has not done as well, compared with others, as I expected, having allowed itself to be distanced not only by the United Provinces and the Punjab, but also by Burma. It has of course to be remembered that some of the subscriptions received in Calcutta and Bombay represented applications on behalf of subscribers residing in adjoining Provinces or States.

The loan was also most cordially subscribed to in the principal Native States Taking the figures for the main loan, 113 lakhs (in round figures) were received from Hyderabad, of which 75 lakhs came from His Exalted Highness the Nizam; 88 lakhs from His Highness the Maharaja Sindhia, 54 from Mysore, of which 35 lakhs were subscribed by the Darbar; and 31½ from His Highness. the Gaekwar of Baroda; while Their Highnesses the Nawab of Bahawalpur and the Maharaja of Patiala subscribed 40 and 25 lakhs respectively.

It is not possible to state with any degree of statistical accuracy to what extent the loan receipts represented money which would otherwise have remained with, or been lodged in, banks. But there is no doubt that a considerable amount—especially under the cash certificates and the postal section of the main loan—represented money that would not have been so employed, but was specially drawn out by the loan stimulus.

26. At the time the loan was launched apprehensions were expressed in various quarters as to the prejudicial effect it would have on trade and commerce by drawing-

off money from the banks. These anticipations have proved without foundation. The principle we adopted throughout was to leave the loan proceeds with the Presidency Banks, where they could be made available for trade purposes, until we actually needed them for disbursement, or the Banks specially requested their withdrawal; and the Presidency Banks on their side were ready to give assistance to other banks which might find themselves in temporary difficulties owing to the sudden withdrawal of their deposits.

The following figures will make our policy in regard to the loan receipts quite clear. In the third week of June these had swelled the Government balances with the Presidency Banks to nearly 24 crores, while by the end of September the balances had been gradually reduced to 8½ crores. But the withdrawals were employed, practically, to liquidate Council drafts, so the ultimate result was merely to transfer a portion of the Presidency Banks' holdings from public to private deposits.

The best proof of the success of the policy adopted was that when the payments to the main section of the loan closed in the middle of October, the Presidency Banks of Bengal and Bombay had such plethoric balances that we were able, without misgiving, to launch on the experiment in regard to Treasury Bills to which I shall now turn.

Treasury Bills.

27. The drain on our resources caused by heavy war payments for His Majesty's Government and the Secretary of State's Council bills led us, in the middle of October, to introduce a new experiment—the issue of short-term Treasury Bills, which could be taken at option for periods of 6, 9, or 12 months. It was suggested to us in some quarters that we might issue three-months bills also, but this would then have been undesirable, as the bills would have matured at a time when it would have been inconvenient for us to meet them. Since January, however, we have been issuing bills of this description.

The results have been very satisfactory. Including a special temporary loan we took from the Bank of Bombay on very favourable terms to ourselves, in addition to a large purchase of Treasury Bills by that institution, we have in this way raised £25⅓ million up to 15th February 1918, and we hope before 31st March to get up to a total figure of £30 million.

Revised Estimate for 1917-18. Ways and Means.

(*1*) *India and England together.*

28. As regards capital transactions, the following table reproduces the figures given in paragraph 72 of my speech introducing the Financial Statement for 1917-18, subject to certain modifications made in the final Budget and later :—

Outlay.	£ million.	*Resources.*	£ million.
Provincial deficit	0·1	Imperial surplus	0·1
Capital expenditure—		Unfunded debt	1·9
Railways 3·6			
Irrigation 0·6	4·5	Special war receipts	0·6
Delhi 0·3			
Discharge of debt	0·9	Credit for silver purchased in 1916-17	1·4
		Miscellaneous items	1·5
TOTAL	5·5	TOTAL	5·5

29. (1) The figures for War Loan transactions have been omitted, as in the case of the corresponding table in the last Financial Statement, since they will go to His Majesty's Government in part liquidation of our £100 million contribution.

(2) The figures do not follow the Budget in the following respects:—

(*a*) We then contemplated drawing on our balances in India to the extent of £3 million, corresponding to the estimated loan receipts during 1916-17. The present table is, however, squared without adopting this course, and to the extent to which our balances were in excess of the normal figure, these consisted of anticipatory war loan receipts which can be more conveniently dealt with in connection with the war loan figures as a whole.

(*b*) Miscellaneous items, £1·5 million.—The head Miscellaneous is made up of numerous entries, such as deposit transactions, etc., and it was anticipated at the time of the presentation of the Financial Statement that these would practically balance each other. Subsequently, however, the Secretary of State advised us that he expected to recover £1½ million less war expenditure in 1916-17, and a correspondingly larger amount in 1917-18 (*vide* paragraph 6 of my speech introducing the final Budget).

30. But the figures as we can now forecast them will stand thus:—

Outlay.	£ million.	£ million.	*Resources.*	£ million.
Capital expenditure—			Receipts from Indian Treasury Bills, etc.	30·0
Railways	3·1		Imperial surplus	5·8
Irrigation	0·5	3·9	Provincial surplus	2·3
Delhi	0·3		Net result of other transactions	0·6
Discharge of debt*	2·7			
Purchase of Home Treasury Bills	20·0		Total	38·7
Credits in favour of Federal Reserve Bank of New York	2·7			
Purchase of military stores and equipment awaiting allocation	2·1			
Total	31·4			

31. (1) The capital expenditure falls short of the Budget Estimate by £600,000, due mainly to lapses under railway expenditure at Home, which could not be fully made up by extra outlay here.

(2) The discharge of debt figure includes £570,000 in repayment—(*a*) of a temporary loan of £330,000 taken from the Maharaja Sindhia in 1914-15 and (*b*) of three instalments of £80,000 each of the Gwalior loan of 1887. In 1914-15 His Highness the Maharaja intimated to us in the most generous and patriotic way that he would postpone repayment of these instalments during the war, but in view of its prolongation it has been decided to take no further advantage of this concession.

The remaining amount (£2·1 million) is in respect of debt in London, and is for discharge of India Bonds (£500,000) and Railway Debentures which matured this year. It was originally proposed to renew the latter, but in view of the Secretary of State's favourable financial position they have been paid off.

(3) We have also had to incur expenditure to the extent of £2·1 million on the purchase of military stores and equipment in anticipation of demands either in India or from the Expeditionary forces. Pending their allocation to specific requirements, when the cost will be treated as expenditure debitable to Indian revenues or recoverable from the Home Government as the case may be, it has to be charged to a suspense head, thus reducing the resources available for general ways and means purposes.

(4) The Treasury Bills receipts and the Imperial and Provincial surpluses have already been explained, while the American 'credit' transaction is referred to later in paragraph 39.

32. The closing item in the 'Resources' column, which balances to £600,000, is the net result of transactions in respect of unfunded debt, special war receipts, credit for

* The discharge of debt is shown in statement C of the Financial Statement as amounting to £5·5 million: the difference between this sum and the figure given above represents rupee debt bearing interest at 3, 3½ and 4 per cent. which has been cancelled by the issue of a smaller face value of paper of the 5 per cent. long term Indian war loan 1929-1947 in connection with the conversion operations of 1917, and securities of the latter loan cancelled by purchase for the sinking fund constituted under the Loan notification. The amount of debt cancelled is shown in statement C as debt discharged by a *per contra* credit to the head "Deposits and Advances—Miscellaneous".

silver purchased but not yet obtained, and miscellaneous, which were shown separately in the statement in paragraph 28, and there totalled to £5·4 million.

(1) Apart from transactions connected with the transfer of the provident funds of certain Railway companies to Government which result in a credit of £300,000, unfunded debt is now estimated to bring us in £300,000 only, against £1·9 million contemplated in the Budget, owing to reduction in postal savings bank deposits by reason of the superior attractions of cash certificates and the postal section of the ordinary loan. There is no reason to regret this as it is of advantage to us to have deposits which are practically at call transferred to more permanent indebtedness. Cash certificates, I may say, come technically under unfunded debt, but it is convenient to deal with them in connection with the war loan, as the amount realised thereby is credited to His Majesty's Government like our war loan receipts proper.

(2) The adjusting credit in regard to silver is now altered to a debit of £200,000, as the amount outstanding at the end of the current year will exceed that at the beginning.

(3) Special war receipts are now estimated to produce £200,000 only, by reason of smaller receipts in connection with the employment of enemy ships.

(4) Miscellaneous items balance to *nil* as against an anticipated credit of £1⅓ million. This is due to—

(*a*) The amounts recoverable from His Majesty's Government in respect of 1916-17 having been less than anticipated.

(*b*) The fact that no recovery has yet been made, pending more definite compilation and adjustment of accounts, of the sums which under present arrangements constitute the share of His Majesty's Government in respect of the cost of the South Persia Rifles—*vide* paragraph 16.

33. It will thus be seen that, apart from the £20 million to be invested in Home Treasury Bills, which I will explain directly, we are about £27⅓ million to the good as compared with original anticipations, a result obtained mainly—

(*a*) By our having a large (combined) Imperial and Provincial surplus of £8·1 million, whereas in the Budget we expected these two items to balance to *nil*.

(*b*) By our receipts from Treasury Bills, including the temporary loan from the Bank of Bombay referred to in paragraph 27.

These results would lead up to an aggregate closing balance in India and England of £44 million as against about £17½ million taken in the Budget.

We have, however, arranged with the Secretary of State, on whose side, as I shall presently explain, the greater part of this balance has accrued, to reduce it by the purchase of £20 million of Home Treasury Bills, to be realised later in order to meet the special liabilities which will then come upon us.

34. Apart from our Treasury Bills, which mature in the coming year and which we propose to pay off or renew then, our position as regards temporary debt is as follows. In 1920 we have to pay off the three-year War Bonds issued this year amounting to about £13 million. In 1922 we have to pay the five-year War Bonds of 1917, amounting to about £8 million. Our this year cash certificates, amounting to £6 million net (after deducting amounts already repaid), will also fall due in 1922. In 1923, again, we have to pay off the loan of 1915, amounting to £3⅓ million: we have the option, however, of paying this in 1920. Moreover, our borrowing programme for next year will in all probability include the issue of short term bonds, and if we repeat bonds for three and five years, the former will mature in 1921, and the latter, and fresh cash certificates, in 1923.

Lastly, when peace conditions permit the resumption of the Railway Capital Programme on a scale necessary to provide adequately for requirements—and this will involve making up a lot of leeway in respect of the compulsory cutting down of that programme during the war—we shall probably find some difficulty in raising, on reasonable terms, the amount of capital which would be required.

We propose therefore, as against our temporary borrowings on Treasury Bills here, and in view of the satisfactory financial position of India as a whole, to invest £20 million in Home Treasury Bills in order to provide for the liabilities which in one way or another will come upon us shortly after the war is over.

35. This investment will, of course, help the Home Government *pro tanto* in providing funds for the war. And counting in investments from the Paper Currency and Gold Standard Reserves, we shall thus have put £32 million of fresh money into Home Treasury Bills this year, making in all, in addition to the £35 million we had already put in up to the end of 1916-17, a total of £67 million lent to the Home Government, and quite outside our special war contribution, since the war began. This will be increased by £16 million in the coming year through the additional investment against the Paper Currency Reserve proposed in paragraph 70.

(*2*) *India.*

36. But though our position, taking India and England together, is a decidedly satisfactory one, there is a most marked difference between the position in the two countries, owing to the very large war expenditure which we have to meet here and for which the Secretary of State receives payment in London, while we have also to defray large Council drawings, which he issues in the interests of India's export trade, the bulk of which at the present time consists of commodities of national importance. Owing, again, to the high price of, and keen competition for, silver, the Secretary of State has not been able to make counter-remittances to us in this form (for coinage) to anything like the extent that we had hoped for, while the necessity of conserving the central gold resources of the Empire has precluded his making alternative counter-remittances to us in that metal. America, too, has prohibited the export of gold and silver except under special licence since September 1917. Accordingly, while the Secretary of State's balances have been exceedingly high, our position has been one of constant anxiety. We should indeed have been in a very parlous state but for the facts that—

(*a*) Our War Loan receipts proved far in excess of the most sanguine estimates that could have been framed in advance of the loan. And though the receipts ultimately go to His Majesty's Government, that takes place by adjustment between the India Office and the Treasury in London, so we get the primary benefit of the money subscribed here.

(*b*) We are, as already indicated, obtaining £30 million from Indian Treasury Bills or their equivalent.

37. The difficulties of our position in India will appear more fully from the figures which follow.

In the current year's Budget we estimated that we should have to incur a repayable outlay of £39 million for war purposes, including £2·7 million for remittances to East Africa and expenditure on behalf of Australia and the Ministry of Munitions. Leaving out minor miscellaneous adjustments, we proposed to find this amount to the extent of £24½ million from revenue, representing ordinary Home charges in respect of current and capital expenditure; £10 million from the proceeds of the War Loan, including cash certificates; and about £4 million through purchase of silver by the Secretary of State. The Secretary of State was to finance himself for his ordinary requirements from the recoveries he obtained from the War Office, etc., and we were unable to make any specific provision for Council drawings, barring a sum of £½ million representing the difference between estimated outstandings at the beginning and at the end of the year. For the current Council drawings we had to trust to further purchase of silver by the Secretary of State and further investment from the Paper Currency Reserve.

38. The present state of things, taking actuals so far as they are available and anticipations in respect of the remainder of the year, is as follows.

(1) The outlay on behalf of His Majesty's Government, including as before remittances to East Africa and expenditure on behalf of Australia, the Admiralty and the Ministry of Munitions, amounts to no less than £66 million.

(2) The Secretary of State's drawings are expected to amount to £34·8 million, inclusive of special allotments to the Exchange Banks to enable them to finance tea and rice purchases for His Majesty's Food Controller, and other payments which are practically equivalent to Council bills. The latter category covers special finance which we provided in India in respect of wheat purchases negotiated for the Royal Commission on food supplies.

(3) We have further to provide funds for the purchase of tea for the War Office in Ceylon and of foodstuffs for that Colony in India, for coinage undertaken in India on behalf of Egypt, and for special remittances in connection with the war to Jeddah and other places. These various items amount together to £2 million.

(4) We have to meet increased liabilities for the payment of money orders issued by foreign countries on India to the extent of £5·3 million.

We thus get to the gigantic total (for India) of about £108 million, representing, in effect, remittances to England and other countries.

39. To this we have to add a further sum of £2·7 million which, under arrangements between His Majesty's Government and the United States, we have had to provide here in credits to the Federal Reserve Bank of New York for the benefit of American importers of jute and other Indian articles required in connection with the war, who would otherwise find it difficult to discharge their liabilities. This sum represents, in effect, an addition to the Secretary of State's ordinary Council drawings. On the other side, the American Government credits us with an equivalent amount in dollars, and we are assuming the realisation of this sum next year—*vide* paragraph 66 *infra*.

Our special liabilities for what may be called remittance purposes thus reach about £111 million, which is nearly half as much again as our total current revenue (Imperial) as now estimated, and about three and a half times as much as the Secretary of State's Council drawings in the last year of peace (1913-14), when we had, of course, no special war charges and the like to meet on behalf of His Majesty's Government and other British Administrations.

40. We have met, or will meet, this huge demand in the following ways—

(*a*) By proceeds in India of our War Loan, including £6 million (net) in cash certificates—about £34½ million. The loan produced an additional £1·1 million received in London under special conditions in the shape of Home Treasury Bills, but this is, of course, no use to us in India.

(*b*) By adding to £24½ million, put down in the Budget estimate as obtainable from revenue, the further sum of £7 million representing, approximately, improvements in revenue (Imperial and Provincial) arising in India : in all, therefore, £31½ million.

(*c*) By the obtainment of £30 million from Treasury Bills, including the special loan from the Bombay Presidency Bank referred to in paragraph 27.

(*d*) By fresh coinage of silver, or bullion awaiting coinage—£13·3 million.

(*e*) By profits from the Gold Standard Reserve in respect of rupee coinage—£1·4 million.

(*f*) By further investment in London on behalf of the Paper Currency Reserve, which sets free rupees on this side—£8·7 million. We took power last April to increase our Paper Currency investments by £8 million and had £1 million still in reserve against previous investing powers. Against this investments have been made to the extent of £8·7 million, leaving a balance of £300,000 which is available for further investment hereafter.

41. We thus work up to a total of over £119 million as against remittance liabilities of £111 million. But we have likewise to take into account the worseness in our miscellaneous capital transactions as described in paragraphs 31 (3) and 32, and the net result is that we shall have a closing balance in India of £16 million against £12·2 million taken in the Budget. As will be seen later, this surplus will be fully required next year.

I have not taken any account in the above calculations of the measures adopted in respect of compulsory acquisition of gold coming into India, for we have to pay for this gold ourselves. The good it does us is not in any direct increase of our resources, but in the concentration of the gold in the Currency Reserve as against future possibilities, and also in the fact that some of the notes in which we pay for the gold will probably remain in circulation instead of coming back for encashment in rupees.

(3) *England.*

42. I next turn to the Secretary of State's position. His resources for the year are now estimated as follows:—

[In millions of pounds]

(1) Receipts from Council Bills, and on account of analogous payments, *vide* paragraph 38 (2) *	35·3
(2) Recoveries from the War Office and the Ministry of Munitions, etc.†	65·0
(3) Special recoveries in respect of our disbursements or remittances of funds in respect of Ceylon, Jeddah, Egypt, etc.	2·1
(4) Increased receipts from the foreign money order transactions referred to in paragraph 38 (4)	5·3
(5) Subscriptions to Indian War Loan in London in the form of Home Treasury Bills	1·1
Total	108·8

43. As against this the Secretary of State will have to meet the following disbursements:—

(1) Ordinary Home charges including capital expenditure outlay	25·0
(2) For purchase of silver ‡	13·5
(3) Payments to the Treasury of the net proceeds of the Indian War Loan§	35·1
(4) Investment in Home Treasury Bills on behalf of the Paper Currency Reserve	8·7
(5) Investment on behalf of Gold Standard Reserve from profits on coinage	1·4
(6) Special investment of £20 million in Home Treasury Bills for the purpose indicated in paragraph 34	20·0
(7) Discharge of India bonds and Railway debentures	2·1
(8) Miscellaneous transactions	0·4
Total	106·2

These transactions and adjustments lead up to a closing balance in London of £8 million.

Currency and Exchange Difficulties.

44. The figures I have cited in dealing with our ways and means operations during the course of this year evidence the nature and extent of the strain which these place on our resources. The subject is, however, one of such importance that I propose to turn now to its more general aspects, and to deal with the position more fully than by mere review of figures. The remittance operations to which I have referred have been on a scale abnormally huge as compared with the transactions of the country before the war. I will now explain as briefly as I can how these have tended to dislocate the mechanism of Government finance, and of trade finance also, owing to the intimate dependence of Indian trade on the financial machinery of Government. In normal times the remittances which the Secretary of State places at the disposal of trade through his Council drawings are required, so far as the

* This does not correspond exactly with the disbursement on our side estimated in paragraph 38, as the present figure includes some drawings which will be paid in India in 1918-19.

† This allows for sums which will be still outstanding at the close of the year.

‡ This figure differs somewhat from that given in paragraph 40(*d*) by reason of the fact that the Secretary of State pays for silver when he acquires it, whereas we do not get the benefit of it till it reaches India. Consequently, while the figures given in respect of his transactions relate to current purchases, those in respect of ours relate to receipts.

§ The gross receipts from our War loans in India and England together are shown at £36·1 million in paragraph 21, in accordance with the usual practice under which we credit the full face value of a loan under our Loans receipts, discount in respect of the actual rate of subscription being charged as interest expenditure which falls under current revenues transactions. But the net amount actually obtained, allowing for the fact that the long-term loan was issued at 95, and that our net cash certificate receipts are less than the gross by £600,000 (paragraph 24), is £35·1 million, and it is this amount that we pay over to the Home Government.

trade aspect of the matter is concerned, to settle only a portion of the surplus of exports of merchandise over imports, a substantial portion of the excess being discharged by the import of the precious metals by private agency. At the present time the position is aggravated not merely by the increased surplus of exports, but by the difficulty in effecting specie remittances. So, whereas ordinarily the primary object of the Secretary of State's Council drawings is to place him in funds to meet his expenditure in England, his large Council issues are at present made solely with the object of financing trade. His expenditure requirements would be covered nearly twice over by repayments made to him in London against the enormous disbursements made by us here on behalf of His Majesty's Government, these direct disbursements alone placing a very heavy strain on our resources.

45. Our primary difficulty, then, arises from the extent to which, as a result of these transactions, our resources have been transferred from India to England. In normal times it might have been possible for us, as it would be for the banks on behalf of trade, to deal with this problem by the import of specie, or, as a refinement on this method, by earmarking gold in London against the concurrent issue of notes from our Paper Currency Reserve in India. These expedients, or modifications of them, have indeed been adopted to an extent which is, I think, not generally realized. Our imports of purchased silver have, during 1916-17 and the current financial year, amounted to not less than £29 million. The maintenance of silver purchases, however, on a scale sufficient to settle the balance of indebtedness to India would obviously not have been a practical proposition, while since the outbreak of the war, the importation or the earmarking of gold by Government has been precluded by the interests of the Empire.

But though it has not been possible for us to earmark gold, we have adopted an alternative measure which, while it has a very similar effect from our point of view, is at the same time very helpful to the Home Government. We have taken powers to enable us, instead of earmarking gold for our Paper Currency Reserve against the issue of notes, to hold a portion of the Reserve in British Treasury Bills, which are the next best thing to gold. The effect of this transaction is that the Government of India provide, from their Indian resources, the money necessary for meeting the expenditure of the Home Government incurred in India, and they take repayment of a substantial portion of the amount so disbursed in the form of securities of the Home Government. In other words, we have lent to the Home Government for the time being the funds required for a considerable portion of their outlay in India, in the same way in which the United States grants loans to the Allies to cover the larger portion of their disbursements in America.

There is another and analogous method by which we have also to some extent been able to deal with the problem. I refer here to what I have previously said in regard to our War Loan, and to our Treasury Bills. The proceeds of these are received by us in India and are available for financing our disbursements here, while we are repaid in England for services against which these disbursements were originally made. A portion of the amount so recovered, representing the equivalent of the subscriptions to our War Loan is, of course, not lent to the Home Government, but is actually made over to them as a gift in cash.

46. It may perhaps be asked why we could not indefinitely continue the process of making payments in India in notes against purchases of British Treasury bills in England. The answer is, of course, that the extent to which we can issue notes is limited in two ways; in the first place by the extent to which the supplier of goods, or services, is prepared to receive notes in payment, while secondly we must maintain an adequate metallic backing to enable us to honour these notes promptly when presented. Any attempt to compel the acceptance of currency notes would react on public confidence and Government credit, and would result in the depreciation of our notes and the inflation of prices.

47. This fact brings me to another aspect of our difficulty. The great demand for Indian products and other services which has resulted in the large transfer of funds from India to England has also necessitated the issue in India of a large amount of currency to pay for such products, etc. The demand for these products at the same time tends to cause a rise in prices in India, in this way also affecting the amount of currency required. To the extent that these currency requirements

can be met by notes they have been so satisfied. The total of our active note circulation (*viz.*, excluding notes held in our Reserve Treasuries and by the head offices of the Presidency Banks), which is now 82 crores as against 50 crores before the war, is a definite indication of the progress which has been made in this way, and the further introduction of small value notes marks another definite step in the same direction. But ultimately the provision of metallic rupees is largely governed by the customs and prejudices of the Indian producer and artisan, and though these may be gradually modified, there is a definite limit to the extent to which a paper currency can in this country be substituted for coin.

Concurrently, then, with this large increase in our note issue, we must expect, and find, a very large demand for rupees. The net issues to the public during 1916-17 amounted to no less than 35 crores, while in the current year the net issues already amount to a further 24 crores, in addition to 8 crores (over £5 million) of sovereigns. That is 67 crores in all of issues of metallic currency since the commencement of the financial year 1916-17, or in rather less than two years. In normal years we could have hoped that a portion of the large volume of currency thus put into circulation for the purchase of agricultural produce and other supplies, for the payment of labour in mills and factories, and so on, would tend to return to the larger centres in payment for the imported commodities which the recipient classes consume. The contraction of imports caused by freight and other war difficulties, however, affects us in this way too, as well as from the point of view of our purely external exchange; and the net absorption would have been on an even larger scale had it not been for the fact that a certain quantity of our currency has returned to us in the form of subscriptions to our loans. Our requirements of silver have, therefore, been very great, and in attempting to satisfy them, the Secretary of State has been confronted with keen competition from other countries where also the economic position has entailed an increase in the silver currency. Such steps as we could take to eliminate competition by private importers with the Secretary of State we have taken, and I refer to them elsewhere. The fact, however, remains that the price of silver has in the last year been steadily advancing; and has for some time past, subject to some fluctuations, stood at a level at which the bullion value of the rupee exceeds its value as coin.

48. This advance in the price of silver involved an alteration in the exchange value of the rupee on the basis of the rates at which the Secretary of State sells his Councils. The immediate necessity for this measure arose out of the fact that it would be unjustifiable for Government to undertake, at material loss, the supply of the large amount of new rupee currency required at the present time; and I should like to emphasise that this action was reluctantly taken only when it became evident that the price of silver was unlikely for a considerable period to recede from a level at which loss would be entailed by the continued sale of Councils at 1*s.* 4*d.* It has been suggested that the potential loss was small and that it might legitimately be charged to the Gold Standard Reserve. I cannot accept either of these contentions. In the first place, the absorption of rupees during the years when the bullion value of the rupee was less than its face value affords no criterion of the probable demand on Government for rupees when, owing to a rise in the price of silver, it would become profitable to melt or to export them. In order to avoid loss from these causes as far as possible, we have, it is true, taken certain steps in the form of prohibitory legislation; but though prohibitions of the kind may serve their object to some extent as temporary expedients, they cannot be expected to operate as a permanent check to the drain on our rupee currency which would certainly accompany a substantial and continued appreciation in the bullion value of the rupee over its face value. In fact the most important limitation which has previously existed on the possible demand on Government for the supply of rupees, *viz.*, that it is unprofitable to export or melt them, would be entirely removed. The only safeguard that a rise in the value of silver above what I may call the 'rupee melting point' will not result in the disappearance of rupees from circulation is such a modification in their external exchange value as to make their export unprofitable. Apart from this safeguard an indefinite and unlimited liability would be entailed, and it would be indefensible for the Government of India to accept this liability as a loss either to the Gold Standard Reserve or to Indian revenues generally.

49. The references which certain of our critics have made in this connection to the report of the Royal Commission on Indian Currency and Finance are, as I said in Bombay last October, based on an entire misapprehension of the Commission's conclusions. The main danger which the Commission had in view was the possibility of the exchange value of the rupee falling below 1*s.* 4*d.*, and their report lends no support to the view that the Gold Standard Reserve should be drawn upon to make good unflinchingly loss entailed by adhering to the 1*s.* 4*d.* rate in the case of such a contingency as that which has now occurred. I quote from paragraph 79 of their report:—The object of the Gold Standard Reserve, they said, "is only to provide a reserve sufficient to convert into sterling such amount of rupees as may at any moment seek export; in other words, such amount as the owners require to exchange for sterling in order to settle debts due in sterling." With this object in view, they definitely recommended that the whole of the Gold Standard Reserve should be held in London so as to make it as efficient as possible for the purpose, a portion of the Reserve then held in India being transferred to London at the earliest possible opportunity. I give these references to show that the *dicta* of the Commission did not envisage a situation such as that which has since arisen. Their conclusions presupposed a totally different set of conditions and cannot be appealed to in support of a plea that the measures which it has been necessary to adopt are inconsistent with the Commission's findings and would not be endorsed by them.

50. I much regret any hardship imposed on our export trade by the increase which it has been necessary to make in the rate for Council drafts, and I am, of course, well aware that a rise in exchange would in ordinary conditions be prejudicial to that trade, like the limitations which the Secretary of State has found it necessary to impose on the volume of his Council drawings. Consequently, as I have repeatedly stated, we embark on any such action with the greatest reluctance, and simply to prevent greater evils. At the same time, while a rise in exchange tends, under ordinary conditions, to prejudice the export trade, it must be remembered that a country like India, which normally exports a considerably larger volume of commodities than she imports in order to discharge her external obligations—such as interest on her sterling debt, Home administrative charges, and outlay on stores and plant—gains by a measure which requires her debtors to pay more for the rupees in which their payments must eventually be liquidated. Or, to put the matter in another way, a rise in exchange means that a smaller amount of India's commodities, as expressed in rupees, will have to be sent abroad in order to provide for a specified amount of payments in sterling, and that she herself will have to pay less for the imports she obtains.

51. Further, in considering the effect on India of a rise in exchange at the present time, allowance must be made for the effect of the abnormal conditions now prevailing. While an Indian exporter would doubtless, in normal circumstances, be prejudicially affected by a rise in the external value of the rupee, which would make it more difficult for him to compete with producers in other countries, this proposition does not apply when no keen competition on the part of other producing countries exists, when there is a large and an unsatisfied demand for many of India's more important products, and when, as a result of freight difficulties, exporters are able to ship practically all the goods for which tonnage can be provided. Even if it be granted that, as a result of the rise in exchange, exporters are receiving somewhat lower rupee prices than they would otherwise have secured, it is an undoubted fact that the actual rupee prices obtained are, in the case of most commodities, substantially in excess of pre-war prices and that, in spite of such restrictions as it has been necessary to impose, rupee prices within India have risen and not fallen. That this is the case is due to the great demand for India's products from abroad and to the enormous rise in prices which has taken place in almost every country in the world which consumes these products. It is indeed probably the case that but for the various restrictions which have attended the special external demands for India's products during the war, internal prices would have risen to a level higher than that at which they at present stand. Even as it is, the great increase in internal prices has become a serious hardship to the poorer classes within India, and special measures have been necessary to deal with some aspects of this problem.

52. There is yet a further point which I would like to emphasise. India is not peculiar in being affected by exchange difficulties. Practically every country in

the world at the present time is undergoing embarrassment in some form or other in connection with its foreign exchanges; and I think we are entitled to take credit for the fact that, in spite of the special difficulties with which we have had to deal, our currency system has borne the strain on it so well, and that we have succeeded in regulating sterling exchange to the public advantage in a way which has been possible in very few other countries. Thus in the case of France, the present exchange rate as between Paris and London has not only departed from the normal gold point to at least the same extent as the external rupee exchange, but it is also liable to indefinite fluctuations. In Italy and many other countries the exchanges have diverged further from normal, and are liable to even greater fluctuations. In the case of India, if exchange had been left to find its own level under the normal laws of supply and demand, the rupee exchange would long ago have reached a far higher level than it has actually done.

I made observations of this description to the Indian Merchants' Chamber in Bombay last October, but I desire to repeat them here, through this Council, to a wider public.

53. In this endeavour to maintain stability in our exchange rate, we have received the valuable co-operation of the Exchange Banks and others. In particular, I can record with satisfaction that exports of national importance, to which, as is well known, special priority in finance is now given by the Exchange Banks, have not, in spite of difficulties, been retarded by any breakdown in the arrangements for their financing. We may yet have to call to a still larger extent for the co-operation of merchants and others who have homeward remittances to make, with the view of applying these more largely than in the past to the financing of these essentially national exports; and to such an appeal I have no doubt that we shall find an adequate response from those engaged in the import trade.

This co-operation being of the greatest value to us, we can, I think, reasonably require it to be given, and ask the banks and trade generally to submit in Imperial interests, and therefore for their own ultimate advantage, to a certain amount of control and inconvenience. After all, the bulk of the burden is being shouldered by Government. Apart from the £35 million which we have given outright to the Home Government in the form of cash in part liquidation of our war contribution, and in addition to our Gold Standard Reserve holdings and our ordinary Home Treasury balances, we shall by the end of the current year have accumulated in London £32 million of British Treasury Bills in the Paper Currency Reserve and £20 million in the special reserve referred to paragraph 34, or about £52 million of floating funds which we should be very glad to have in India.* Against these accumulations in England we have already undertaken in India a liability for about £30 million of short-term debt and £30 million of Treasury Bills. This "overbought position," as it would be described in banking terminology, will be further added to during the coming year. These facts are sometimes ignored by those who chafe under what they regard as arbitrary restrictions and who urge upon us that such restrictions could safely be removed or relaxed.

Budget Estimate for 1918-19. Current Revenue and Expenditure.

54. Assuming that next year's monsoon will be normal, the following statement compares the Revised Estimate for 1917-18 with the Budget Forecast for 1918-19.

[In millions of pounds.]

	Revised, 1917-18.			Budget, 1918-19.		
	Imperial.	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue	**76·677**	33·724	110·401	**73·999**	34·348	108·347
Expenditure	**70·852**	31·468	102·320	**71·708**	34·443	106·151
Surplus (+) or deficit (−)	**+5·825**	+2·256	+8·081	**+2·291**	—·095	+2·196

* The £67 million referred to in paragraph 35 included Gold Standard Reserve transactions.

55. It will thus be seen that we expect to be about £2⅔ million worse off under revenue, while the expenditure is about £800,000 more than in the current year, thus giving a surplus of £2·3 million against £5·8 million now expected for 1917-18.

56. The reduction in Revenue is primarily due to a decrease in *Salt* receipts (£1·9 million), and the elimination of gain by *Exchange*, estimated this year at £1 million net. To take credit for the latter would be gambling on a continuance of the present rates of exchange, which we have no desire to see maintained when the circumstances that justify them pass away, and we therefore, following precedent, leave it out of account in our budgetary anticipations.

The falling off under Salt is due to the stoppage of indents in Northern India, referred to in paragraph 11, which, in view of the state of stocks there, must continue for a considerable time.

57. As regards other heads, I give some remarks as to items which call for special comment.

The following table, which is on the lines of that given in paragraph 9. for the current year, shows the total *Railway* results for 1916-17, and those now estimated for 1917-18, and forecasted for 1918-19 :—

[In millions of pounds.]

—	1916-17.	Revised, 1917-18.	Budget, 1918-19.
Gross receipts	41·8	45·5	47·0
Working expenses, including payments of surplus profits to Railway Companies.	20·7	21·7	24·1
Net receipts	21·1	23·8	22·9
Add—Receipts from Subsidised Companies and miscellaneous receipts in England.	0·2	0·2	0·1
Total receipts	21·3	24·0	23·0
Deduct—Interest charges and some miscellaneous expenditure.	13·8	13·9	13·8
Net profit on Railways . . .	7·5	10·1	9·2

In forecasting gross receipts for next year, we have to bear in mind that those of 1917-18 were swelled by an extraordinarily good monsoon, and that, with continued wear and tear of rolling-stock and absence of adequate facility for renewal, a time must come at which the railways cannot carry all the passengers and tonnage that they might otherwise convey. We think, therefore, that it is not safe to estimate for an increase of more than £1½ million on the Revised Estimate for the current year. On the other hand, we have to provide for an increase of nearly £2½ million under working expenses, including special renewals in order to provide, as far as circumstances permit us, for enabling the railways to bear the strain the present circumstances are putting upon them.

Taking minor alterations into account, we thus, as shown in the table, get to a final net profit on Railways of £9·2 million against £10·1 million now estimated for 1917-18 and £7·5 million in 1916-17—a decrease, that is, of £900,000 as compared with the current year.

58. *Interest* receipts show an increase of nearly £1½ million, with reference to the investment of £20 million in Home Treasury Bills indicated in paragraph 34, and the fact that the special Paper Currency Depreciation Fund, referred to in paragraph 13 (3), having now been made up to the total amount at present required, no further contributions thereto will be needed.

59. There is a decrease of £300,000 under *Miscellaneous,* the principal item leading to this result being £170,000 due to profits on the wheat scheme of 1915, which figure in the accounts for the current year and will not now recur. But so far as Imperial revenues are concerned, the decrease under this latter item will be counterbalanced by an almost like decrease in payments to the provinces under *Transfers between Imperial and Provincial,* since most of the wheat profits were passed on to the Local Governments under this head.

On the other hand, there is an increase here, by reason of a special recurring grant of £200,000 for the development of *primary education,* which we propose to make in supplement of that given this year for improving the pay and training of teachers in primary and secondary schools. We desire to give this fresh evidence of our concern for educational development, though the amount we can assign is but small by reason of the strain on our resources occasioned by the war. Apart from this too, as Your Excellency indicated in your opening speech, it is impossible to embark on large fresh commitments from Imperial funds till the future powers of local bodies, and the future relations of local, Provincial and Imperial finance, have been determined in connection with the scheme of Constitutional Reforms.

Nearly the whole of this grant will be distributed to the provinces, and these and other adjustments will result in the net payment from Imperial revenues under *Transfers between Imperial and Provincial* being about the same as in the current year.

60. (1) Under *Customs,* we anticipate about £410,000 less than now estimated for the current year, on the assumption that a decreased volume of trade, which will probably result from the shipping situation, will be largely countered by higher prices reflected in our *ad valorem* duties. It is necessarily a matter of increasing difficulty to forecast the manner in which war restrictions will affect our Customs revenue. We must, of course, expect the limitations imposed by freight scarcity and restrictions on production to continue in an accentuated form. On the other hand, the export restrictions from the United Kingdom may not impossibly be set off to an increasing extent by substitutes from other countries, *e.g.,* we are obtaining a larger amount of provisions from America and Australia, and, still more, by the higher level of prices. On the whole, therefore, we have come to the conclusion that it will be safe to take a somewhat smaller figure than the Revised Estimate of the current year, allowing for the fact that we can expect no receipts from private imports of silver in 1918-19.

(2) As regards *Income-tax* and *Super-tax* (taken together) we estimate an increase of about £170,000 over the receipts of the current year as shown in the Revised Estimate.

(3) *Posts and Telegraphs* are estimated to give us £290,000 more. But this is more than set-off by an increase of £330,000 under expenditure, due to expansion of the operations of the Department, an increase in pay of establishments with reference to war conditions, and increased price of stores and stationery.

61. Turning now to the Expenditure side, the net outlay under *Military Services* is estimated in the current year at £28·8 million. But various items of this are non-recurring or will recur in smaller proportion next year. In the former category figures this year's expenditure on rifles and ammunition (£1,450,000); the latter covers diminished expenditure in connection with the North-West Frontier (£370,000), purchase of Hotchkiss and Lewis guns, manufacture of ammunition, etc. (£170,000), and smaller provision for Home stores, Military Works, and Railway charges, etc. (£510,000).

On the other hand we have to take into account:—

(*a*) £550,000 extra for increased pay concessions to British troops—*vide* paragraph 15, item (*b*)—for a whole year instead of for a few months only as in the current year.

(*b*) £200,000 for introduction of the Station Hospital system for India and improvements of hospitals.

(*c*) £250,000 for extension of Ordnance factories.

The net result of these various changes is to bring the allocated 1918-19 expenditure up to £27·3 million, and to this we add a reserve of £1·7 million for charges at present unforeseen, so as to be in a position to meet additional outlay consequent on the war such as has come on us after the Budget was framed in the last two years. The total provision for net Military expenditure is thus £29 million.

62. India's share of the total expenditure on the South Persia Rifles which, as stated in paragraph 16, is shown under *Political*, is estimated at £750,000 for next year, against £900,000 this. The decrease is mainly due to non-recurrence of the adjustment which had to be made this year in respect of charges of 1916-17, *vide* paragraph 16 *supra*. But allowing for increase in other Political expenditure in Persia, the total figures under this head are £350,000 more than in the Revised.

63. (1) Our total charges in respect of the War debt remain at £6 million, including sinking funds of £270,000 in connection with this year's long term Indian issue (*vide* paragraph 81 of my speech introducing the last Financial Statement) and £470,000 in respect of the Home war debt taken over.

(2) Under *Miscellaneous* we get an improvement of £500,000 by reverting to the Budget figure for the current year and omitting the special increase in the Revised referred to in paragraph 17.

64. The final result, so far as it can at present be forecasted, is, as I have already said, a revenue surplus of £2·3 million. We shall need every penny of this—and more too if it should accrue to us—to meet our ways and means difficulties, and there can be no question, while war conditions continue, of reduction of taxation. On the other hand, as our difficulties arise on the ways and means, and not on the revenue, side there is no present necessity for adding to the fresh imposts imposed during the last two years. We therefore keep our taxation on the existing level.

Revenue and Expenditure—Provincial.

65. The Provincial revenues are taken in the Budget at £34·3 million and the expenditure at £34·4 million. An increase of revenue is anticipated everywhere except in the United Provinces. The current year's revenue in these provinces has been inflated by special receipts from irrigation, and provision has been made for normal receipts in the coming year; part of the decline is also due to the omission of the non-recurring assignment made to provincial revenues in the current year from the profits of the wheat scheme. Assignments on the latter account have been made to other provinces also, but in their case the increase of revenue from normal growth is expected to exceed the deterioration arising from the omission of the assignments next year.

The result is, as I have said, that Provincial receipts and expenditure are nearly in equilibrium; but nevertheless the provinces can anticipate the spending of nearly £3 million more than they were able to lay out in the current year.

The financial situation has compelled us to keep in force the instructions to Local Governments I have referred to in previous speeches to refrain from new outlay which is not immediately necessary or remunerative, and to maintain their expenditure as far as possible within the limits of their current income. I have once more to acknowledge the loyalty with which the Local Governments are carrying out this policy, and the figures I have just cited show that the restriction has not been incompatible with reasonable increase in Provincial expenditure.

Budget Estimate for 1918-19. Ways and Means.

(1) India and England together.

66. Our ordinary capital transactions are estimated as follows:—

(In millions of pounds.)

Outlay.			*Resources.*	
Capital expenditure—				
Railways	4·2		From balances	3·6
Irrigation	0·5	5·0	Net revenue surplus (Imperial and Provincial)	2·2
Delhi	0·3		Unfunded debt, excluding cash certificates	1·2
Discharge of debt	5·9		Special war receipts	0·2
			Credit for silver purchased in 1917-18	1·0
			Net balance under Miscellaneous	*nil*
			Repayment of credits placed at the disposal of the Federal Reserve Bank of New York in 1917-18 —*vide* paragraph 39.	2·7
Total	10·9		Total	10·9

67. (1) The Railway and Irrigation expenditure follow the figures advised by the Departments concerned, the Railway outlay being put at about £1 million more than in the current year's Revised Estimate.

(2) Discharge of debt includes £3·1 million for payment of India Bonds and Railway Debentures which will mature in the coming year, £2·7 million for the repayment of the temporary loan taken from the Bank of Bombay in the current year, and £80,000 for the instalment of the Gwalior Loan of 1887.

(3) Allowing for the small Provincial deficit exhibited in paragraph 54, the net surplus, Imperial and Provincial, is £2·2 million.

(4) The statement includes nothing from Treasury Bills, as we assume that what we can thus obtain next year—say, about £27·3 million—will merely suffice to wipe out the similar obligations incurred during the current year.

Nor do we make any allowance here for ordinary loan receipts, since, as will be seen presently, it is proposed to apply what we can raise by loan in the coming year to the further liquidation of our £100 million contribution to the Home Government.

(5) Under Miscellaneous we provide for the anticipated recovery from the Home Government of their share of the expenditure on the South Persia Rifles for the period ending 31st March 1918—*vide* paragraph 32 (4) (*b*). But against this and other miscellaneous receipts, provision has to be made for the payment of Council bills amounting to £2 million which remain unpaid at the end of the current year. The final result is a *nil* adjustment in respect of Miscellaneous.

Our aggregate closing balance in India and England on the 31st March 1919 is estimated at £20½ million.

(2) *India.*

68. But though our position, taking India and England together, is quite satisfactory, the resources shown in paragraph 66 being the same as the liabilities, things are very different when we look at India alone. Our recoverable war expenditure for His Majesty's Government cannot be estimated at less than about £70½ million, while we have in addition to supply funds to East Africa to the extent of £2·8 million : in all therefore £73·2 million.

We shall also have to meet £2 million in respect of Council Bills drawn by the Secretary of State in the current year but not payable by us till after its close, and £2·7 million in respect of the temporary loan obtained from the Bank of Bombay which has to be repaid in 1918-19. Our liabilities thus come to £78 million.

69. Against this we have £22·1 million available from surplus of revenue over expenditure in India, and we anticipate getting £20 million by fresh borrowing, a measure on which I shall have more to say later. So far then, we have got £42 million, and are still £36 million to the bad, without making any allowance for fresh Council Bills.

70. We hope to meet this deficiency thus :—

(*a*) By specie remittances from the Secretary of State to the extent of £13 million, including £1 million in transit at the end of the current year.

(*b*) By further investment, as circumstances require it, of £16 million (24 crores) against the Paper Currency Reserve—or, if account be taken of the unutilised balance of our existing powers, of £16·3 million, thus giving us the command of an equal amount of money here. I shall later on introduce a Bill giving us the necessary power in this respect.

(*c*) By drawing £5 million from our balances in India which, as I have already stated, are expected to stand at £16 million at the close of the current year.

(*d*) We also expect that we shall obtain repayment during the next year of the credits for £2·7 million which we are placing at the disposal of the Federal Reserve Bank of New York during the current year. But that sum will be required for payments of foreign money orders, as remittances by this source must be assumed to continue next year, though, we may hope, not on the same scale as this year.

On these calculations and allowing for some minor adjustments, we should have a closing balance in India of about £11·1 million, which is a good deal less than the normal closing balance (£12¼ million) to which we usually look.

71. It will be observed that these calculations take no account of the Secretary of State's fresh Council drawings. We do not, of course, propose that these should be suspended—a measure which would produce very undesirable effects on Indian trade. On the contrary, we desire to meet Council drafts so far as we can, but the exposition I have given will show how difficult we shall find it to do this. All we can say at present, therefore, is that we shall endeavour to provide for Councils as far as our resources permit. We may, for example, be able to get more in the way of specie remittances than the figure mentioned above, and to the extent that acquisitions of specie will add to the proportion of metallic holdings in our Paper Currency Reserve, we may, as time goes on, be able to justify a further investment from this. Our loan transactions may give us more than it is at present safe to anticipate, and the same remark will apply, if the seasons are good, to our revenue receipts. But I have said enough, I think, to show how very uncertain is the position, and how absolutely necessary it is that we should conserve our resources as much as we possibly can.

(3) *England.*

72. Leaving out of account Council drawings, in regard to which, as I have said, we can make no definite provision at present, and allowing, for some recoveries from His Majesty's Government being still outstanding on 31st March 1918, the Secretary of State's resources for next year will consist of about £75 million in the shape of recoveries from His Majesty's Government for fresh and past war expenditure, and miscellaneous adjustments of an analogous character.

Against this he will have to make the following disbursements :—

	(In millions of pounds.)
Ordinary Home charges, including capital expenditure outlay . .	22·3
Payment to His Majesty's Government for proceeds of our new War loan .	20·0
Investment on behalf of Paper Currency Reserve	16·3
Payment for silver remittances (*a*)	12·0
Discharge of India bonds and Railway debentures	3·1
TOTAL .	73·7

There will thus be an increase in his closing balance, which is expected to stand at £9·3 million, as compared with £8 million with which the year opens. It is too early yet to contemplate definite utilisation of any portion of this balance by further special investment or otherwise.

Next year's borrowing.

73. I will conclude this portion of my speech with some further remarks as regards our borrowing next year. We propose, following this year's precedent, that the regular loan receipts, and those from cash certificates, shall all go to His Majesty's Government for the prosecution of the war in further redemption of our £100 million contribution. We thus assist ourselves also, since the payment to His Majesty's Government is made by adjustment with the Secretary of State in London, while we get the primary benefit of the sums received in India.

74. As I have already said, the War Loan of this year, including cash certificates brought us in nearly £35 million in India. Next year's loan will again have no limit of amount, and I shall rejoice if we get results approaching to those of this year. The success of the 1917 loan was largely due to the splendid efforts made by Heads of Provinces and Provincial and Local Committees, and the Government of India look with grateful confidence to a renewal of these efforts in respect of the fresh War loan of 1918. But in framing Budget estimates I must proceed cautiously,

(*a*) See foot-note ‡ against paragraph 43. In this case the figure here given represents the Secretary of State's current purchases: that shown in paragraph 70 (*a*) is our estimated receipts, including amounts purchased in 1917-18 but which will only reach us next year.

and take into account that the very fact of this year's effort having been such a large one militates against the expectation of an equal harvest next year. It has to be remembered too that we also count on raising £27 million by Treasury Bills. For the purposes of the Budget estimates therefore and our ways and means calculations, and after consultation with my expert advisers, official and non-official, I do not think it safe to put down for the present a larger amount than £20 million for next year's War Loan, including cash certificates. But I repeat that this is regarded as a minimum amount, and that no one will be better pleased than I (and I can speak with equal confidence, on behalf of Your Excellency and the Government) if this estimate should be very largely exceeded, and India's effort should once more show that she derides the cautious calculations of her financiers.

I would impress on the Council and the public that the raising of a large war loan here produces three very material advantages to India and the Empire. *First.*—It gives His Majesty's Government fresh money for the conduct of the war in lieu of a mere readjustment of previous war expenditure, and thus makes India's war contribution still more useful. *Second.*—It assists the Government of India in obtaining funds for the financing of war expenditure here to meet the needs of His Majesty's Government. *Third.*—India profits economically by her war contribution being raised by internal borrowing, the interest on which is disbursed in this country, instead of by adjustment which involves payment of interest on a portion of the British debt.

The raising of a further sum of £20 million by loan in this country will bring our total contribution by fresh borrowing to more than half of the full £100 million for which we have made ourselves liable; and to the extent that we may obtain more than £20 million this proportion will be correspondingly increased. I may add that in order to eliminate as far as possible competition with our efforts in this direction, we shall shortly place restrictions on issues of capital in this country, except in so far as these are required for enterprises of national importance at the present time. I shall before long introduce the legislation necessary to give effect to this decision.

75. Having regard to present money conditions and the fact that we are obtaining funds at present by the issue of Treasury Bills, we do not propose to start the new loan immediately and it would be premature at present to commit ourselves as to the date of issue and the form which the loan shall take. I may, however, provisionally indicate that, having regard to the relative amounts obtained this year on the long term loan and from the short term war bonds, we are at present disinclined to issue a further long term loan in 1918. I think, after consulting those who are entitled to speak with most weight on this matter, that we shall be more likely to obtain an adequate response by concentrating ourselves on short term bonds. We might, for example, put out once more the 3-year and 5-year bonds, which were so successful this year, and add a further category of bonds having a somewhat longer period. We contemplate that outstanding Treasury Bills shall be received on suitable terms in subscription to the new loan.

The cash certificates will, of course, continue on their present footing.

76. I need only at present add a few words on the subject of premium bonds, which to some people seem a desirable method of adding to the attraction of our loans. I may say at once that I have no puritanical scruples in this matter, and that if I thought that the issue of premium bonds would bring us in any large amount of money which we should otherwise not obtain, I would do my best to get them sanctioned. I have, however, found that the general opinion of financial and commercial authorities entitled to speak with weight on this subject is that we should not obtain this result. It would *primâ facie* be impossible for us to issue a loan at a very small rate of interest (having regard to present market conditions) with the bulk of the inducements in prizes: that would be a gambling transaction which the Government ought not to take up. As regards the alternative of issuing a loan at a fair flat rate of interest, though somewhat below what we should otherwise have to pay, with supplementary prize inducements, the general opinion is that it would not work. Having regard to the present price of money, banks and serious investors are not likely to be satisfied with less than the rate of interest we had to pay this year on the remote chance of getting a prize; while as regards those who like a flutter, the consensus of opinion is that they

prefer speculative share investments, which involve a considerable degree of real or imaginary skill and give them the constant stimulus of following the ups and downs of the market. These views receive corroboration from the fact that the recent premium bonds issue in Ceylon was a complete failure.

We have also the fact that the Committee which the Home Government appointed to consider the question of premium bonds advised that it was doubtful whether the additional funds thus obtainable would justify controversial legislation. That is our feeling also as regards India. The expedient would undoubtedly be resented by many on what they hold to be moral grounds, and I do not think that we should be justified in ignoring such scruples on a very problematic chance of making material sums which would not otherwise be obtainable. I cannot, therefore, advise that we should try this experiment.

Paper Currency and Gold Standard Reserves, and Exchange.

77. The following statement gives the total and active note circulation on the 1st February of each of the last five years, the active note circulation excluding the notes held in reserve treasuries and headquarter offices of the Presidency Banks :—

[In crores of rupees.]

Year.	Total Circulation.	Active Circulation.
1914	63·9	51·9
1915	60·3	45·1
1916	62·4	54·1
1917	84·4	67·9
1918	104·8	82·1

It will be seen that the 1917 figures, which were at that time a heavy 'record', have now been far passed, thus affording further testimony to the confidence the people have in our note issues, and to the effect of the measures taken in recent years towards making our notes more easily cashable. For it is an easily understood paradox that the more you increase facilities for ready encashment of notes, the greater is the confidence in their value and the fewer the occasions on which they are actually presented for encashment. This expansion of circulation has been of material assistance to us in our ways and means difficulties by enabling increasing investment from the Paper Currency Reserve.

78. As the Council are aware, till lately our lowest denomination of notes was Rs. 5, but we have now made the experiment of issuing still smaller notes for Re. 1 and Rs. 2½ respectively. The former were issued on the 1st December 1917 and the latter on 2nd January last, and at the outset the issues in India were confined to the three Presidency cities; while in order to enhance confidence in the notes, we have given special facilities for their encashment at local post offices. The results so far have been very satisfactory, the total issues having reached a value of ₹45 lakhs, and the encashments of ₹11 lakhs only, leaving a margin of ₹34 lakhs worth of these small notes actually in circulation. The success of the experiment has already warranted its extension to some of the other large cities.

It should be understood that though the area of issue is as yet limited, the Re. 1 and Rs. 2½ notes are received anywhere in payment of Government dues, and are encashable at all currency offices and treasuries in the same way as our other universal notes.

We have also sent about ₹4 lakhs worth of these notes to Mesopotamia, where the people are accustomed to minute paper currency. We are likewise, at the request of His Majesty's Government, sending about £500,000 worth to East Africa.

79. As regards the metallic portion of our Currency Reserve, on the 31st March last we held about £8 million of gold here and about £4½ million in England, or in all £12½ million. The figures now stand at £19 million and £½ million respectively, or in all £19½ million. I shall speak presently of the main transactions that have led to this result.

As regards silver, our holdings in the Paper Currency Reserve, including bullion under coinage, amounted on 31st March last to about 19 crores (or nearly £13 million). They at present stand at about 13½ crores (£9 million).

80. The increase in our gold and silver holdings together in spite of a further investment from the Paper Currency Reserve thus amounts to about £3 million. This has of course been made possible by the increase in our currency note circulation, the total of which now stands at 105 crores (£70 million) against 86 crores (about £57 million) at the beginning of the year.

At the beginning of the year we had invested about 56 per cent. of our holdings against total note issues. The present percentage is still about the same figure, with the advantage that nearly all our gold is now held in India ; and this enables us to contemplate the further investment indicated in paragraph 70 above.

81. In paragraph 34 of my speech introducing the last Financial Statement I explained that, with the object of relieving the strain on silver and of reducing the premium on gold, we had started selling a portion of the raw gold held at Bombay on behalf of the Bank of England, the gold bullion thus taken over by us being paid for by sovereigns from our Reserve in London. These sales were continued between 18th January and 26th April last, during which period we disposed of over £4 million of bullion. They were then discontinued because a transfer of gold to India from Australia and New Zealand, in exchange for our London holdings of gold, made it necessary for us to reserve those holdings for that purpose. The effect of these sales upon the silver position can only be vaguely estimated. Enquiries showed, however, that most of the gold which was sold found its way up-country and must have resulted in drawing into circulation a certain amount of rupees which those who ultimately acquired the gold would not otherwise have parted with.

82. Last April, again, in view of our then depleted stock of rupees we found it necessary to issue sovereigns in the hope of relieving the strain on our silver balances. The absorption of rupees in that month was over £4 million, and on 7th May our holding of silver in the Paper Currency Reserve amounted to about 13 crores only, which was the lowest point touched for over 10 years. What may be called the relief-issue of sovereigns, which continued till the end of August, amounted to about £5 million, the bulk being absorbed in the Punjab where they were utilised in the purchase of wheat. By that time our silver position had improved, and in accordance with our general policy of retaining our gold holdings as our second line of reserve, the necessity for further issues of gold thus disappeared. We have lately, however, had to recommence the issue of sovereigns with reference to a renewed depletion of our silver stocks.

83. Since June last we have been acquiring private imports of gold under the Gold Import Act, the provisions of which I explained in this Council on the 26th September 1917, and thereby raised our gold holdings by about £12 million. As I have already explained (paragraph 6) most of this gold has come to us from America and Japan. The gold so acquired was passed into the Paper Currency Reserve, an equivalent amount of notes being issued to the importers from whom it was obtained.

An analogous transaction, which has also had the effect of strengthening our gold holdings, is the arrangement recently arrived at between His Majesty's Government, Japan and ourselves under which, by the end of the current year, we shall have received £2 million of the Bank of England's gold held in Bombay. This amount is placed in the Paper Currency Reserve, and we issue against it an equivalent amount of notes to the nominees of the Japanese Government.

84. As the Council is aware, we have, besides taking over all private imports of gold, forbidden, since July last, the import and export of silver into or from India except on Government account. In respect of imports the object is to avoid private competition with the Secretary of State's purchases, and also to preclude private imports of this metal being used to obtain Indian money for the financing of exports not of primary war importance: as regards exports to conserve the stock of silver already in the country. We have, with a like object, forbidden the melting of rupees and sovereigns.

85. The Council is also aware that we have obtained permission from the Home Government to coin sovereigns in India, and although the establishment of a Gold Mint in Bombay for this purpose which will work as a branch of the Royal Mint in

London, has been delayed owing to the necessity of satisfying conditions laid down by the Home Treasury, the construction of our Mint is now in hand, and we hope that it will be issuing sovereigns by May. Its operations will extend in the first instance to the coinage of foreign coins and refined gold, but arrangements have been made to enable it to take up the coinage of unrefined gold also. In the meantime we have got coinage done for us in Australia, in pursuance of the arrangements I explained to the Council in my speech on 5th September last introducing the Paper Currency Amendment Bill, which subsequently passed into law as Act XIX of 1917, and we are now entitled to treat as part of our Currency Reserve gold held on our account in any part of His Majesty's Dominions, or in transit therefrom.

86. As regards silver prices, these stood at an average of nearly 37*d* per ounce in April, and had risen to an average of nearly 51*d* in September, the high watermark of 55 being reached towards the end of that month. This latter figure, which was largely due to speculation, was however not long maintained. In October the average price had fallen to 44*d* and in November to 43, at which level it has practically stood since.

The increase in silver prices led to alteration in the price at which the Secretary of State sells his Councils. I have dealt with this matter already, and need only refer briefly here to what I said in the Legislative Council on the 24th September in answer to a question by the Hon'ble Mr. Hogg, when, under the authority of the Secretary of State, I explained the conditions by which he is guided in fixing his Council rates. These rates are being, and will continue to be, based roughly on the price at which he is able to buy silver. He cannot be expected to sell rupees at appreciably less than their actual cost, but he intends to apply this principle with considerable latitude so as to avoid changes as far as possible. Once again I must emphasise that the measures adopted to meet an abnormal increase in the price of silver, caused in their turn by the special circumstances of the war, must in no way be considered as implying the abandonment of the policy of a fixed and stable exchange; that by selling his Councils at fixed rates the Secretary of State did all he could to keep exchange stable; that he only raised those rates in August last when the bullion price of the rupee made this necessary; and that the rise in external exchange has not in any way affected the internal parity of rupées and sovereigns, which remains at the standard rate of 15 to 1.

87. The following statement shows the holdings in the Gold Standard Reserve on the 1st April last, at the date of the last published statement, and as we expect them to stand on the 31st March.

[In thousands of pounds.]

—	Book credit in India.	Gold held in India.	Cash placed by the Secretary of State for India in Council at short notice.	Invested in London.	Total.
1st April 1917 . . .	181	103	6,001	25,406*	31,691
31st January 1918 . .	...	...	6,019	27,798†	33,817
As estimated on 31st March 1918.	...	...	6,000	28,316†	34,316

The increase in the total holding is due in part to the fresh rupee coinage we have had to undertake from silver purchased in the earlier months of the year; and the interest on previous investments is, as usual, added to the assets of the Fund.

The average rate of exchange in the current year calculated on the Secretary of State's drawings, will amount to 16·55 pence per rupee against 16·15 pence in 1916-17.

* This represents the value of the securities as on the 31st March 1917.

† This represents the value as on 30th September 1917 (the date of the last valuation) of the securities then held and the cost price of securities purchased since that date.

REMARKS ON CERTAIN SPECIAL HEADS.

A.—Military Services.

88. The table below shows the gross and net expenditure on military services for the coming year and the four years preceding :—

	Gross.					Net, *i.e.*, deducting receipts.
	Army.	Marine.	Military Works.	Special Defences.	Total.	
	£	£	£	£	£	£
1914-15 . .	20,336,559	463,370	996,071	13,603	21,809,603	20,434,915
1915-16 . .	21,893,200	745,513	850,866	13,514	23,503,093	22,261,353
1916-17 . .	24,260,003	693,680	1,594,538	18,536	26,566,757	24,990,811
1917-18 (Budget) .	25,215,900	838,500	1,158,700	14,000	27,227,100	25,900,000
1917-18 (Revised) .	27,665,400	736,600	1,872,300	10,400	30,284,700	28,782,500
1918-19 (Budget) .	27,790,900	960,300	1,781,500	... *	30,532,700	29,000,000

89. I have already indicated in paragraph 15 the more important causes contributing to the increase in the Revised Estimate for 1917-18 as compared with the Budget. These account for about £3·2 million, and other minor factors for a further increase of about £0·8 million. On the other hand, there have been some savings, the most important of which are the lapse in the Home provision for construction of vessels for the Royal Indian Marine and credit for a dredger taken over by the War Office, amounting together to £157,000 ; reduction in food charges; and reduction in the non-effective charges in India and England. The reserve of about £700,000 included in the current year's Budget to meet unforeseen expenditure must also of course be set off against the increase in specific expenditure to which I have referred.

90. The receipts have risen by £175,000, which is mainly accounted for by large sales of dairy produce to overseas forces, war hospitals, etc., and by the recovery of departmental charges on stores supplied by the Indian Munitions Board.

91. The Budget provision for next year has been fixed at £29 million. I have already (paragraph 61) explained the need for this large provision. It includes a reserve of £1,677,000 to meet charges which we cannot yet specifically foresee, but which, as the experience of preceding war years shows, are likely to come upon us in one way or another.

The head 'Special Defences' has been abolished with effect from 1st April 1918, and any remaining transactions will be adjusted under the head 'Military Works.'

92. The total cash contributions from Indian Princes and others towards the cost of the war received this year amount to £428,000. His Excellency the Commander-in-Chief has also continued to receive considerable sums for the provision of motor ambulances and the like and the supply of comforts to the troops at the front.

93. The gross amount contributed from Indian revenues on account of the normal pay and charges of the military forces despatched out of India up to the end of 1917-18 may be taken at £28 million. Against this, however, must be set the cost of maintaining substituted British troops (Territorial and Garrison battalions) actually serving in India, which is borne by His Majesty's Government under the Resolution of the Houses of Parliament referred to in paragraph 39 of my last year's speech. Taking this into account, our total net contribution towards the cost of the war

* Closed as a separate sub-head—see paragraph 91.

in respect of the Expeditionary Forces is about £15¾ million to the end of the current year, to which another £4¾ million should be added in respect of 1918-19. And outside these adjustments, and taking our normal net military expenditure, on the basis of the 1913-14 figures (£19·9 million), at £20 million, we have had to incur an additional outlay, due almost entirely to the war, amounting to £16½ million up to the end of the current year, and £25½ million including the estimated expenditure for 1918-19.

B.—Expenditure from special grants for education, sanitation, etc., and financial position of Local Governments.

94. I give below a table similar to that in paragraph 111 of my speech last year, showing special grants made for these purposes from 1911-12 onwards and the extent to which they have been utilised.

(In thousands of pounds.)

	Total grants given (1911-12 to 1918-19).		Total expenditure (1911-12 to 1918-19).	Balance expected to be available on 1st April 1919.
	Recurring.	Non-recurring.	*Non-recurring.	
(1) Education	1,146	3,290	2,436	854
(2) Sanitation	245	1,765	1,217	548
(3) Medical relief, etc.	...	58	58	...
(4) Agriculture, etc.	...	332	295	37
(5) Grants for other special purposes	...	1,556(*a*)	1,497	59
(6) Grants for general purposes (Discretionary grants).	...	667	407	260
TOTAL	1,391	7,668	5,910	1,758
Add—Savings on recurring grants during foregoing period about				883
Total amount expected to be available from special grants on the 1st April 1919				2,641

In view of war conditions, we have again had to ask Local Governments to restrict drawings on their balances, which include the unspent remainder of these special grants. But any outlay thus postponed is merely deferred till normal times return.

95. I have already reviewed in bulk the estimated Provincial receipts and expenditure for the current and the coming years. The total Provincial balances stood at £9·9 million on 1st April 1917 and are expected to amount to £12·1 million on 31st March 1919, the increase being due to excess of current revenue over expenditure in the present year. It will thus be seen that the provinces will have large scope for special beneficent expenditure when the war conditions which necessitate the conservation of their balances have passed away.

Moreover, we have under consideration, for application after the war is over and in connection with the scheme of Constitutional Reforms, a material advance in the direction of separating Imperial and Provincial finance, which will give the provinces larger and more independent resources, with further powers of supplementing these by taxation when such may be found necessary.

96. As I explained in connection with the Budget for the current year, we have taken steps to give the provinces more powers in the matter of specific items of expenditure, and we have under consideration, in connection with the scheme I have mentioned, the question of adding to these powers still further.

* Non-recurring figures only are given as the recurring grants are treated as having been fully worked up to, any savings obtained from those grants in particular years being added at the foot of the statement.

(*a*) Decrease as compared with last year's figures due to the Revised Estimate figure for the current year being less than the Budget forecast.

C.—Railways (Capital Outlay).

97. The following statement gives the figures of Railway capital expenditure, on State-owned lines included within the Railway programme, for the coming year and the four years preceding :—

——	1914-15.	1915-16.	1916-17.	1917-18, Revised.	1918-19, Budget.
	£	£	£	£	£
Open Lines including rolling stock .	10,534,300	3,864,200	1,236,500	2,364,300	3,667,900
Lines under construction —					
(*a*) Started in previous years . .	898,800	627,100	245,700	27,700	534,400
(*b*) Started in current year . .	...	...	496,500	757,700	...
Total .	11,433,100	4,491,300	1,978,700	3,149,700	4,202,300

98. The Revised Estimate for 1916-17 provided for a total outlay of about £1½ million as against a Budget allotment of £3 million. The actuals however come to nearly £2 million, as it was found possible, in the closing weeks of the year, to lay out more money than had previously been thought feasible.

In the current year we provided £3·6 million, but are not able to work fully up to this owing to the extreme difficulty of obtaining materials from England. Next year we provide £4·2 million, which represents the limit of what can be expended having regard to the present special conditions.

99. As was the case this year, it has not been possible to provide for the construction of any new lines, and our construction expenditure is almost entirely restricted to the completion of certain projects of military importance which were commenced during the current year.

We propose to spend £3⅔ million on open line capital works and equipment. A large proportion of this expenditure will be devoted to rolling stock, and the remainder to works of open line improvement necessitated by a heavy and increasing traffic.

100. The difficulties attendant on the raising of capital in the open market which I referred to last year still continue, with the result that new construction by Branch Line companies has now been altogether suspended, and work on certain projects already sanctioned, such as the Tinnevelly-Tiruchendur and Trichinopoly-Pudukottai lines, has had to be deferred.

The policy of proceeding as far as possible, *i.e.*, up to a stage short of actual flotation, with negotiations for the promotion of Branch Line companies after the war is being continued, and steps have also been taken to carry out surveys of new lines with a view to such projects being undertaken as soon as possible after the return of normal conditions.

101. The following figures show the capital outlay on all State lines up to the end of each year from 1914-15, and the net return obtained after deducting working expenses and interest charges :—

[Capital and profit figures in thousands of pounds]

——	1914-15.	1915-16.	1916-17.	1917-18, Revised.	1918-19, Budget.
Capital at charge at end of each year .	361,560	364,858	365,483	367,310	370,114
Working profit from railways excluding interest charges.	15,614	17,797	21,148	23,959	22,924
Percentage of same to capital outlay .	4·32	4·88	5·79	6·52	6·19
Final working profit after meeting interest charges.	2,158	4,075	7,482	10,175	9,202
Percentage of same to capital outlay .	·60	1·12	2·05	2·77	2·49

102. The return on railway capital (excluding interest charges) was estimated in the current year's Budget at 5·47 per cent. We now estimate it at 6·52 in consequence of the large increase in net railway earnings which I have already dealt with in my review of the Revised Estimate. For next year we put it at 6·19 consequent on the smaller estimate of net earnings arrived at in the Budget.

The charges for interest in the current and ensuing years work out to 3·75 and 3·70 per cent. respectively on the capital outlay, so that the final net profit on railways is about $2\frac{3}{4}$ and $2\frac{1}{2}$ per cent, respectively. These interest charges include certain annuity and sinking fund payments which really go to the discharge of debt.

D.—Irrigation (Capital outlay).

103. The financial position of our great irrigation undertakings may be gathered from the following table which brings up to date the information given in connection with previous Financial Statements. The figures are in thousands of pounds :—

Particulars.	1914-15.	1915-16.	1916-17.	1917-18 (Revised).	1918-19 (Budget).
1	2	3	4	5	6
Productive Works.					
Capital outlay to end of each year	35,777	36,603	37,120	37,630	38,104
Total receipts. including land revenue due to irrigation.	4,325	4,394	4,733	4,764	4,897
Total expenses, including interest on debt.	2,452	2,549	2,488	2,556	2,624
Net profit	1,873	1,845	2,245	2,208	2,273
Percentage of net profit to capital outlay.	5·24	5·04	6·05	5·87	5·97
Protective Works.					
Capital outlay to end of each year	5,845	5,853	6,166	6,513	6,897
Total receipts, including land revenue due to irrigation.	101	118	105	111	116
Total expenses, including interest on debt.	247	277	276	303	314
Net loss	146	159	171	192	198
Percentage of net loss to capital outlay.	2·73	2·72	2·77	2·95	2·87
Minor Works and Navigation.					
Direct receipts.	254	267	317	313	306
Expenditure	986	869	781	878	983
Net loss	732	602	464	565	677

104. The total length of main and branch canals and distributaries which had been constructed on irrigation works of all classes up to the end of the year 1916-17 amounted to 65,000 miles, and it is expected that this will have been increased by nearly 600 miles by the close of the present financial year. These channels command an area of about 52 million acres of culturable land, of which more than half was irrigated in 1916-17. It is estimated that some 25 million acres, or about a million acres less than last year, will be irrigated in the current year, the decrease being due to the copious monsoon, which diminished the demands on artificial irrigation.

105. In addition to the works actually in operation, 34 major works are either under construction, awaiting sanction or being examined by the professional advisers of Government. These are designed to command an additional culturable area of approximately 27 million acres, of which it is estimated that $11\frac{1}{2}$ millions will be irrigated annually, the capital cost involved being about £33 million.

106. Owing to the present financial stringency no new irrigation works of any magnitude were sanctioned during the current year. The investigation of several large projects was, however, continued, the most important being those relating to the Sukkur barrage on the Indus (Sind), the Sind Sagar Doab Canal (Punjab) and the Bhakra dam on the Sutlej (Punjab).

107. The Triple Canal project in the Punjab was declared complete on the 31st March 1917. It is anticipated that there will be a saving on the revised estimate of this work, amounting to about £690,000, and at the beginning of 1917 over a million acres had already been irrigated from these canals.

108. Development of important protective works in the Bombay Deccan continues to be hampered by difficulties in connection with the war, but good progress has been made on the Bhandardarra and Bhatgarh dams, as also on the Nira Right Bank canal.

Work on the Upper Swat canal in the North-West Frontier Province is practically complete, and the construction estimate will be closed on the 31st March 1918. The Tandula canal in the Central Provinces is also rapidly approaching completion.

109. In my speech of last year I referred to a project for the utilization of a portion of the water of the Sarda river in the United Provinces. The Local Government has recently sent up a comprehensive scheme for the utilization of the whole supply of the river in extensions of irrigation in Rohilkhand and Oudh. The estimated direct cost of the necessary works is over £5 million, and it is anticipated that the project would add more than 2 million acres to the irrigated area of the province.

E.—Delhi Expenditure (Capital outlay).

110. The expenditure during the current year under Head 51 is expected to amount to about £250,000 (Rs. 37 lakhs) as compared with a budget provision of £267,000 (Rs. 40 lakhs). The reduction is due to credits received for sale or transfer of materials to heads other than 51.

During the current year the aim has been to confine operations to such work on the central buildings and other features of the New City as can be carried out without the use of materials the price of which has been seriously affected by the war. A moderate rate of progress has been maintained in the case of Government House, the Secretariat buildings, the Viceroy's Court, and the great *Place*. Work has been put in hand on the construction of the Central Vista and on the erection of residential quarters for Indian clerks. A start has also been made on such portions of the storm water drainage scheme as do not involve the use of imported material. The larger schemes of sanitation, water supply, electric lighting and irrigation, which require the use of imported materials, have been left untouched. Considerable addition has been made to the stock of materials and tree planting operations on the roads have been pushed on.

It is expected that £267,000 (Rs. 40 lakhs) will be needed to carry on work on similar lines in 1918-19.

Retrospect and Conclusion.

111. This is the last Financial Statement which I shall have the honour to present to the Council. My tenure of office as Finance Member is drawing to its end, and it has been a particularly difficult and arduous one. When I took up my post I hoped that I might share the good fortune which my distinguished predecessor enjoyed in such ample measure. But *dis aliter visum*: in my first year I was beset with troubles arising out of the bank failures in 1913 in Northern India and an unsatisfactory monsoon; soon after that the war came upon us; and since then I have had to face a constant succession of difficult and abnormal circumstances.

I propose now to give a short summary of the most important events which have marked my term of office, for I think it is useful to have a retrospect of this sort, as showing us more clearly how we stand, not merely from year to year but taking a backward glance over the past.

112. I must ask the indulgence of the Council if, in this presentation of some of the events of the years during which I have had the honour of administering the finances of India, I permit myself to touch a personal note. When

in July 1913 I took up the post which I shall ere long relinquish, I envisaged various problems the solution of which I hoped to be able to advance during my tenure of office. Like almost all financial problems they were closely inter-related, and progress in any one direction was bound to react on the general situation as a whole and facilitate the solution of the remainder.

The first of these questions arose out of the periodical money stringency which is a characteristic of the busy trade months of the year. The problem is a complex one, and not capable of solution by the application of any single method. But it can be materially influenced by the more liberal release of Government funds at the busy time of the year so that these may then be available for trade. In presenting my first Budget, after a few months' tenure of office, I was able to inform the Council that we had secured the assent of the Secretary of State to a policy of making loans from our balances to the Presidency Banks during the busy seasons. As I then explained, it can only be through the agency of these Central banking institutions that Government can hope to secure an effective and wise application of such resources as they can make available at times of stringency. By continued action in this direction, as also by the creation and maintenance of more intimate relations with these leading institutions, it was my hope that it might be possible to help in the further development of the trade and commerce of the country.

A second set of questions was connected with our currency note system. The expansion of our note circulation, satisfactory as it was, was still impeded by certain restrictions. Apart from any other consideration, it was in any case imperative in a country like India, where the cheque is not likely for many years to attain any large vogue up-country, to encourage the use of the currency note as a medium of exchange.

Thirdly, as I indicated in connection with my first Budget, I recognised that if, as I hoped, my tenure of office as Finance Member was to see a vigorous programme of capital expenditure on Railways and Irrigation, a courageous policy of borrowing in India was indispensable. It was clear that the traditional method of relying solely on a handful of wealthy investors or on the established banking institutions would no longer suffice ; that it must give way to a policy which would establish a direct *nexus* between the State and the small investor; and that the attraction to fructifying purposes of the small savings of small people must form one of the objects to which our efforts should be bent.

113. Let me now endeavour to indicate briefly how far these hopes have been realised, and how far the events of the last three and a half years of war have assisted or impeded their realisation, or have compelled their modification or postponement.

I am able to record with satisfaction the measure of success which has attended my efforts to demonstrate the readiness of Government to secure, by a more liberal utilisation of its funds, relief to commercial and financial interests in times of stringency. It has been my consistent policy to give proof of this desire by making temporary loans (as has been done on occasion) to the Presidency Banks; by leaving in deposit with them, till actually required by us, the proceeds of our public loans; by avoiding as much as possible the lock-up of funds in our reserve treasuries; and by the maintenance with the Presidency Banks of balances at all times considerably, and at certain periods far, in excess of the standards previously observed. It is largely owing to action of this character that it has been possible to secure the money market against the strain to which our war finance must otherwise have exposed it, and in particular to raise the large sums we have recently obtained by way of loan without materially inconveniencing the market. A striking feature of our financial operations in the last year has been the way in which money has tended to return to the larger trade centres, in other words the extent to which there has been an increase in the supplies of floating capital in these centres. It would be premature to attempt to analyse the causes of this change in Indian money market conditions, but I think it can reasonably be hoped that this change has come to stay, and that one result will be that it will tend to eliminate to some extent the excessive seasonal stringency which has been in the past a characteristic of our money market during certain months of the year.

114. It also justifies the hope that greater dependence may hereafter be placed on the Indian money market for the raising of the funds necessary for the

development of our railway and irrigation works, and it will likewise pave the way for the solution of the somewhat kindred question of the greater development of banking throughout the country. Let me here gratefully record my acknowledgment of the response which the Presidency Banks have extended to my desire to see the establishment of cordial and close relations between Government and them as representatives of the financial interests of the country. I have always looked on their Secretaries as non-official comrades, to be freely consulted in respect of loans and other matters affecting the money market, and I have met with ready and very valuable response in such cases.

115. An even greater degree of success than I dared hope has attended our efforts to secure the expansion of our currency note system. In the early months of the war, as the Council will recollect, the general dislocation of trade and finance brought about a temporary, though successfully met, run on our notes, while the restoration of confidence which followed on free and unrestricted payments in silver, pointed to the general soundness of our system and to the possibility of its further expansion by increases in the facilities for encashment. Accordingly, as I explained in my speech introducing the Financial Statement for 1916-17 (paragraphs 108-109), we proceeded with measures to secure the widest facilities for the exchange of silver against notes, not merely, as the law requires, at special currency centres, but at all district treasuries ; while we also made arrangements with the Presidency Banks for the issue and prompt encashment of notes at a number of their branches.

The results of these measures have been most gratifying, not only because they have made our currency notes more popular, but because they have enabled us to rely with greater boldness on this portion of our financial system to meet the added and continually growing demands on Government funds for the carrying on of the war and of our trade. Taking the figures as on 1st February, our gross circulation has increased, in round figures, from £42½ million in 1914 to £70 million in 1918; while the active circulation *i.e.*, that portion of the note circulation which is held outside the reserve treasuries and the head offices of the Presidency banks, has grown between the same dates from £34½ million to £54¾ million.

We have now initiated the experiment of issuing small notes for Rs. 2½ and Re. 1 which, as I have already said, promise to prove a material success. The popularity of these notes will, I trust, increase as time goes on.

116. The metallic portion of our Paper Currency Reserve represented on the 1st February nearly 53 per cent. of the active circulation, which compares with a 96 per cent. proportion on the same date in 1914. This evidences the fact that we have, under the stress of war finance, travelled far beyond the recommendations of the Chamberlain Commission in regard to the composition of the Reserve. The total invested portion now stands at £ 41 million as compared with £9·3 million in 1914, and we contemplate, as I have already explained, a further increase to £57 million. With the return of normal conditions, the permanent composition of the Reserve will need to be considered with reference to the recommendations of the Commission; for the investments in British Government Treasury Bills made in recent times are only as a temporary war measure. Meanwhile, as regards the pre-war holding of consols in the Paper Currency Reserve, we have provided by the establishment of a depreciation fund against loss in present value as compared with their purchase price.

117. Equally gratifying are the results which have attended our efforts in relying on the Indian market for our capital borrowings. In 1913-14, allowing for repayment of maturing obligations and including the borrowing transactions of railway companies managing State owned lines, we raised in all £4·7 million, of which £2·8 million were borrowed in England. In the current year, as in 1916-17, we have kept completely out of the London market. Indeed, we have gone further. We have this year discharged £2 million of previous sterling debt, while the sum total of our net Indian borrowings has reached what would have been in normal times a great figure for any country, and is a gigantic one for us, *viz.*, £65 million. I readily recognise that the borrowings of the current year have been abnormal, and specially stimulated by the patriotic consideration that—except as regards Treasury Bills, which are a new feature in Indian finance—the proceeds were to be handed over to His Majesty's Government for war purposes. It is also the case that the large and constant war disbursements by Government during the last two years have facilitated our borrowing

operations. But even making allowances for these special features, there is a most striking contrast between the borrowings of 1917-18 and those of 1913-14. And if we take the figures for a wider period—for the four years ending 1913-14 as compared with those for the four years ending 1917-18—and omit from the latter our short-term Treasury Bills, the contrast is still very marked. In the first period our net borrowings were £4·8 million in England and £5·9 million in India—in all £10·7 million. The second period gives a total of £49 million, of which all but £3 million have been raised in India.

Next year again, as I have already informed the Council, we hope to draw on the Indian loan market to the extent of at least £47 million in respect of our war borrowing and fresh Treasury Bills, the latter representing the discharge value of the bills outstanding at end of 1917-18.

118. We have further opened up new borrowing sources, and I refer here specially to the postal sections of the last three loans and to the cash certificates. The former method of utilising the Post Office to get into touch with the small investor was introduced for the first time in 1915-16 when it gave us £$\frac{1}{3}$ million; while in 1916-17 it yielded a little less. But this year the postal section of the War Loan produced nearly £3 million, a larger sum than we raised by ordinary methods in any year between 1907-08 and 1913-14; while the cash certificates will have given us in this first year of their issue about £6$\frac{1}{2}$ million (gross), a result exceeding those of any of our public loans before the present year. In all, in the three years since we started borrowing through the Post Office, we have been able, through this innovation, to attract funds to the extent of over £10 million, the bulk of which is new money which would not otherwise have found its way into the Government loan chest and has to a considerable extent been drawn from hoards and current savings. I should like in this connection to express to Sir William Maxwell and his Post Office staff my warm appreciation of the zeal and success with which they have co-operated with the Finance Department in the working of these new schemes.

119. Some portion of the funds thus obtained no doubt represents money which has been deflected from the ordinary postal savings bank deposits, and in so far as this cause accounts for the decrease in these latter deposits as compared with the pre-war figures, there is no need to regret diversion to a more permanent form of investment. Post Office deposits, it will be remembered, suffered considerably from the dislocation caused by the outbreak of the war, and though the ground lost has not yet been fully recovered, the present figure (£ 10·4 million) is already somewhat in excess of the amount at the close of 1914-15. This result has been facilitated by an increase in the permissible limit of individual depositors' holdings which was introduced in the first year of my tenure of my office.

120. In reviewing the events of the last four years, I have unfortunately to record a decrease in the provision for capital expenditure. In 1913-14 this provision was £14 million: in the year which is coming to a close we expect to spend less than a third of that amount, namely, £3·9 million. Irrigation capital outlay has dropped from £1·3 million to £$\frac{1}{2}$ million, owing to the completion of large projects, such as the Triple Canal scheme in the Punjab, and to the fact that further projects involving heavy outlay are not yet ready for execution. Under Railways the provision for capital outlay has fallen from £12·3 million in 1913-14, the highest figure yet touched, to £3·1 million in the current year and £4·2 million in the Budget for 1918-19. This is, of course, a consequence of the great struggle in which the Empire is now engaged. The war imposes on us the necessity for conservation of our resources, and it also precludes us, even if we had the funds, from obtaining the material we should require for a large railway programme. I have always regarded these necessities with profound regret. In connection with the Budget for 1914-15 I explained the efforts we had then made to keep the railway programme up to a standard of £12 million, and I had hoped that if times had remained peaceful and prosperous we should be able during my tenure of office to go beyond that figure; but here again Fate has willed otherwise. One of the main problems which will face my successor when peace returns will be consideration of the way to find money for making up the necessary lee-way under railways, more especially in view of the strain to which our present equipment has been exposed by the heavy traffic demands, and the impossibilities of regular and

thorough renewal of lines and rolling stock. So far as it has been in my power I have endeavoured to assist in the solution of this problem. The special investment of £20 million in Home Treasury Bills, to which I have referred in paragraph 34, has been made largely with a view to this contingency, so that it may provide a means of meeting the liabilities which will in one way or another come upon us after the war is over.

121. I will now make a few remarks on the various financial problems which have beset us during the last 3½ years. Briefly, the history of our war finance may be divided into two periods. The first period was marked, in India as elsewhere, by a general dislocation of trade and finance. We experienced a serious run on our savings bank deposits, and some panic encashment of our currency notes. There was a considerable demand for the remittance of money to London, and sterling drafts on London to the extent of £8¾ million had to be sold between August 1914 aud January 1915 to maintain the exchange value of the rupee. This temporary want of confidence soon passed away, though it left as a legacy £14 million of temporary debt which we had to raise to meet our current requirements, *viz.*, £7 million from the Gold Standard Reserve, and £7 million raised by the Secretary of State in India Bills in lieu of a permanent loan of £4½ million which he had contemplated when the Budget for 1914-15 was framed. But it was not until the autumn of 1915, that is to say when rather more than a year had elapsed since the outbreak of the war, that the tide set in which was to bring with it entirely different, and by reason of their novelty peculiarly difficult, problems.

122. The first period, then, was one calling for the consolidation and conservation of our resources. With a serious decline in the values of and demand for our leading exports, with prices of foodstuffs at an abnormally high level, with trade in a state of general depression, and with public confidence only lately recovered from the first shock of the war, prudence clearly dictated postponement of additional taxation in spite of a considerable temporary deficit. Meanwhile we did what we could in the form of indirect assistance to the mother country. During 1915-16 we reduced our net Home borrowings for capital expenditure from an estimated sum of £5½ million to about £2 million, and we also paid off £3 million of our borrowings from the Gold Standard Reserve. The object which we set before ourselves during the first period of our war finance was to abstain as far as possible from drawing on the resources of the London market, and to make provision, by the curtailment of expenditure in this country, to meet possible military contingencies.

123. By the autumn of 1915, the effects of the dislocation which set in on the outbreak of the war had passed away. A considerable demand made itself felt, mainly as a result of war conditions, for the products of this country, and the export trade, which had been seriously curtailed, began to show a marked and growing revival. The circumstances attending this restoration of active trade conditions rendered possible not only a continuance of the policy of abstaining from borrowing in London, but also the imposition of additional taxation in India. Accordingly we proceeded to strengthen our position by a programme of taxation, introduced in the Budget of 1916-17, which included the revision of our import tariff, save as regards the important item of piecegoods ; the imposition of new duties on the exports of jute and tea ; a small addition to the salt tax ; and the enhancement and graduation of the income tax. And as a logical sequence of the last mentioned measure, the Council has now before it a Bill for the material improvement of our Income Tax machinery. We abstained from any fresh borrowing in England and paid off the £7 million of India Bills referred to above (paragraph 121) as well as some India Bonds which fell due for redemption in the ordinary course. We also cleared off the £ 4 million which we still owed to the Gold Standard Reserve.

124. We had now cleared the decks for further action, and in 1917-18 we felt able to take the step, which we had always hoped we might be in a position to take, of making a direct pecuniary contribution by India towards the prosecution of the war. As I have said, we had now discharged the temporary debt liabilities which we had been compelled to undertake by the dislocation of our finances caused by the war. The additional taxation imposed in the previous year had materially added to the strength of our finances, while the insistent demand for

exports from this country made it clear that we need not anticipate the prejudicial effect on exchange which would otherwise have been caused by borrowing a large amount in this country for the purpose of remittances to London. We were thus able, with general approval, to offer a special capital contribution of £100 million to His Majesty's Government towards the expenses of the war, and to meet the recurring charges which this offer entailed by the imposition of additional taxation estimated to produce at the outset £3⅓ million, the balance being provided by the surplus revenue which was accruing to us through the taxation of 1916-17. The new taxation took the form of :—

(*a*) A super-tax on incomes.

(*b*) An increase in the export tax on jute.

(*c*) A small surcharge on railway goods traffic.

(*d*) Raising of the import duty on cotton piecegoods to the general tariff rate, while maintaining at the lower previous level the excise duty on local cotton manufactures.

This last measure had the effect of removing, at any rate in large part, a grievance which had been felt for many years in India.

125. These new sources of revenue account in considerable measure for the fact that our Imperial revenue receipts in the current year are about £22 million more than in 1913-14. Of this increase about £9½ million is due to the additional taxation of the last two years, and of the remaining £12½ million about two-fifths is accounted for by increase in net profits on Railways, which have grown from about £4¾ million in 1913-14 to £10 million in 1917-18. Concomitantly with this increase in our revenue, we have, of course, to record an increase in Imperial expenditure, which is now £19 million higher than the figure for 1913-14. £9 million of this accrues under Military charges and is almost entirely due to the war, and £6 million represents the interest and sinking fund charges in respect of our war contribution of £100 million to His Majesty's Government. There is also an increase of over £1 million under Political charges, due to the war, including special expenditure in Persia and the cost of militia employed on the North-West frontier. Put in other words, a growth of £16 million in what may be called war charges has been met to the extent of £9½ million by taxation, while the balance has been found from other expansion of revenue.

126. This brief review of our war finance would be incomplete without reference to the magnitude and difficulty of our ways and means operations in the last two years. I have, however, dealt at some length with this matter in an earlier portion of my speech, and I need only now cite certain salient figures which will show how heavy this burden has been. War expenditure for His Majesty's Government and analogous items have involved us in a net outlay in India of £128 million during the last 3½ years. At the same time, we have had to meet heavy Council drawings representing the demand of trade for fresh funds in this country. These increased from £20 million in 1915-16 to £33 million in 1916-17, and will this year amount to about £35 million.

Repayment in respect of these transactions has been in England, and to find the requisite funds for our disbursements here has been a matter of great and growing difficulty and anxiety. A large portion of the sums reimbursed to us in London by His Majesty's Government on account of war outlay has been re-lent to them for war purposes by investment in their Treasury Bills. As I stated in an earlier part of my speech, these investments, which are of course quite apart from our gift of £100 million, will amount to £67 million at the end of the current year, while the further investment from our Paper Currency Reserve contemplated next year will add £16 million more.

127. I have already described the present composition of the Paper Currency Reserve, and need only add now that our Gold Standard Reserve at present stands at £34 million against £25½ million in 1913-14. This increase is, of course, mainly due to the coinage of silver in the last few years. Every effort has been made to obtain as ample supplies of silver for India as were available, and our recognition of the probable requirements in this respect was made at a date considerably earlier than

is generally known. In all, we have in the last four years coined £33 million worth of fresh rupees, which is double the amount coined in the similar period ending with 1913-14. That none of this coinage has been redundant is shown by the prompt way in which it has been absorbed.

128. It will be seen from these figures and remarks how much ground we have traversed during the last few years; and what strikes one first and last is the way in which the war has brought out the financial strength of India. No one could have imagined, for example, three years ago that we should be able, with a moderate increase of taxation, to offer His Majesty's Government £100 million as a special war contribution over and above the additional charges which the war has entailed on our own military budgets; that we could borrow in India anything like as much as we have done, raising, for example, more than one-third of the £100 million war contribution by direct loan in this country in a single year; or again, that we should have found it possible to meet, as we have done, the enormous demands for war supplies to His Majesty's Government and the immediate outlay they have involved. Generally favourable monsoons (taking the period as a whole and India as a whole) have assisted in bringing about this result. Our trade conditions, again, have been wonderfully prosperous, considering all the adverse circumstances which had to be faced, and have indeed led to the paradoxical result that the pecuniary resources of the Government of India have had to be strained to the utmost to meet the demands on us necessitated by the Secretary of State's Council drawings for the assistance of trade, coming as these did on the top of large war expenditure on behalf of the Home Government repaid in London.

129. My present speech and previous utterances of mine have given the Council some idea of the difficulties and anxieties which the war has brought about in the realm of Indian finance and the special expedients which had to be resorted to in order to meet a succession of most difficult and constantly changing situations, based on circumstances for which there was no precedent in the period of *pre-bellum* finance. I say *some* idea advisedly, because transactions which can be very briefly described in our annual Budget chronicles or in Press *communiqués* have often been the fruit of long and detailed labour and thought. For example, as regards the action taken in respect of the amount of the Secretary of State's weekly Council drawings and rates of exchange, communications exchanged at various times between us and the India Office would fill a respectable little book. I may say without the least exaggeration that since the war began I have never been free from acute anxieties in regard to one or more important matters with which the Finance Department is directly or indirectly concerned, and decisions have often had to be taken at very short notice. Looking back with present knowledge on this crowded past, I do not, of course, claim that everything that has been done was done in the best possible way.

> 'That man was vain, and false as vain,
> Who said, were he ordained to run
> His whole career of life again,
> He would do all that he had done.'

And this applies equally to the short official life of the holder of a high office such as mine, especially in the circumstances of this kaleidoscopic war time when, in the financial sphere as well as in the military, the events of one year mock at the fears or hopes of the year before. But I have done my best to serve India in these troublous times: and I think I can claim that her interests have not suffered at my hands; that the difficulties which beset us have been adequately met; that our financial structure has well withstood the storms which have beaten upon it; and that efforts have been successfully made to strengthen its walls and foundations.

130. I should like to add that such credit as may be accorded to me in respect of the policy and actions of the last few years must be shared by my able lieutenants in the Finance Department. I owe a great deal, as I have always acknowledged, to their loyal and efficient co-operation, and they, in their turn, have been most ably seconded by those who work under them. I am indeed proud of the Department I am shortly to quit and in which I have myself served in a subordinate as well as in a directing capacity.

I must also acknowledge with grateful thanks the constant help and support I have received from Your Excellency and Lord Hardinge, and from my colleagues, past and present, on the Executive Council. For, though the fact seems to be rather ignored in some quarters, while the Finance Member has to propose action in respect of important questions of financial policy, the final decision, on this side, rests with the collective Government.

Lastly, I have to acknowledge with gratitude the support I have received from my non-official friends in the Legislative Council. Some of them have every now and then differed from me in regard to particular matters, but they have given me most welcome and helpful support in respect of financial policy as a whole, recognising that I love India and that her interests have ever been foremost in my thoughts.

W. S. MEYER.

Delhi, March 1st, 1918.

FINANCIAL STATEMENT

OF THE

GOVERNMENT OF INDIA

MARCH 1918.

ACCOUNTS	1916-17
REVISED ESTIMATES	1917-18
BUDGET ESTIMATES	1918-19

CONTENTS.

	PAGES.
I.—GENERAL STATEMENT of the REVENUE and EXPENDITURE charged to REVENUE of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	40—41
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	42—43
A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND	44—45
B.—STATEMENT of the EXPENDITURE charged to the REVENUES of INDIA, in INDIA and in ENGLAND	46—49
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	50—53
D.—STATEMENT of REVENUE, EXPENDITURE, and BALANCES of PROVINCIAL GOVERNMENTS . .	54
E.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	55

I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	22,041,265	22,218,200	22,191,100	22,358,500
Opium	„	3,160,005	3,389,300	3,068,500	3,191,800
Salt	„	4,826,230	3,972,900	5,432,800	3,492,200
Stamps	„	5,776,696	5,952,100	5,745,000	5,928,000
Excise	„	9,215,899	9,328,200	10,050,100	10,373,700
Customs	„	8,659,182	9,394,800	11,127,900	10,714,400
Income Tax	„	3,772,967	5,129,300	6,075,800	6,313,200
Other Heads	„	3,655,196	3,465,600	3,861,300	3,870,700
TOTAL PRINCIPAL HEADS	...	61,107,470	62,850,400	67,552,500	66,242,500
Interest	A	1,136,504	2,095,700	2,245,300	3,552,600
Posts and Telegraphs	„	4,174,607	4,345,700	4,492,100	4,782,800
Mint	„	689,866	139,100	530,700	376,000
Receipts by Civil Departments	„	1,739,713	1,706,300	1,920,100	1,956,100
Miscellaneous	„	847,530	743,000	2,599,900	1,295,200
Railways: Net Receipts	„	21,313,797	20,253,000	24,051,600	22,983,700
Irrigation	„	5,155,624	5,125,300	5,188,000	5,320,400
Other Public Works	„	309,373	285,200	318,900	304,900
Military Receipts	„	1,575,946	1,327,100	1,502,200	1,532,700
TOTAL REVENUE	...	98,050,430	98,870,800	110,401,300	108,346,900

DELHI,
FINANCE DEPARTMENT,
March 1, 1918.

M. F. GAUNTLETT,
Offg. Comptroller General.

Revenue, of the Government of India, in India and in England.

	For details, *vide* Statement.	Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	9,328,668	10,027,500	9,919,000	10,438,300
Interest	„	1,174,864	6,832,800	7,797,500	7,784,300
Posts and Telegraphs	„	3,441,387	3,601,900	3,599,000	3,931,400
Mint	„	167,411	108,600	179,300	170,000
Salaries and Expenses of Civil Departments	„	19,081,230	21,089,800	20,915,100	22,993,000
Miscellaneous Civil Charges	„	5,414,272	5,419,200	5,894,800	5,644,700
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	13,831,922	14,147,400	13,876,800	13,782,000
Irrigation	„	3,549,912	3,834,100	3,742,800	3,928,700
Other Public Works	„	4,618,535	5,544,800	5,110,500	5,945,600
Military Services	„	26,566,757	27,227,100	30,284,700	30,532,700
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	88,174,958	98,833,200	102,320,000	106,150,700
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	2,397,302	240,300	2,322,900	351,400
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	...	*338,100*	*66,700*	*446,700*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	90,572,260	98,735,400	104,576,200	106,055,400
SURPLUS	...	7,478,170	135,400	5,825,100	2,291,500
TOTAL	...	98,050,430	98,870,800	110,401,300	108,346,900

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Surplus	C	7,478,170	135,400	5,825,100	2,291,500
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	"	...	...	—500,000	—250,000
Capital contributed by Native States towards construction of State Railways	"	66,667	66,700	66,700	33,300
Capital raised and deposited by Railway Companies (net)	"	555,431	318,600	...	...
TOTAL CAPITAL ACCOUNT RECEIPTS		622,098	385,300	—433,300	—216,700
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	4,433,691	6,416,700	68,943,800	...
Temporary Debt (net incurred)	"	...	...	47,557,900	...
Unfunded Debt (net incurred)	"	1,474,857	1,926,700	9,383,200	1,215,300
Deposits and Advances (net)	"	...	787,900	...	3,912,800
Loans and Advances by Imperial Government (net Repayments)	"	2,451	...	...	...
Loans and Advances by Provincial Governments (net Repayments)	"	585,495	262,500	598,400	162,400
Loans to Local Boards for Railway Construction	"	8,020	8,300	...	8,700
Remittances (net)	"	1,651,160	...	...	2,000,000
Secretary of State's Bills drawn	"	9,669,240	...	25,258,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES		17,824,914	9,402,100	151,741,300	7,299,200
TOTAL RECEIPTS	...	25,925,182	9,922,800	157,133,100	9,374,000
Opening Balance—India	...	12,016,056	15,142,656	15,293,216	15,969,516
England	...	(a) 12,803,348	(a) 11,419,648	(a) 11,391,993	(a) 14,036,193
TOTAL	...	50,744,586	36,485,104	183,818,309	39,379,709

(a) Include balances of the Gold Standard Reserve as shown

M. F. GAUNTLETT,
Offg. Comptroller General.

DELHI,
FINANCE DEPARTMENT,
March 1, 1918.

Government of India, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	C	512,083	600,000	504,500	466,700
Outlay on State Railways	"	1,872,348	3,224,200	3,023,400	3,704,400
Initial outlay on new Capital at Delhi	"	244,297	266,700	250,700	266,700
India's Financial Contribution to the War	"	...	...	100,000,000	...
Outlay of Railway Companies (net)	"	770,593	648,400	521,700	631,600
Capital raised and deposited by Railway Companies	"	...	...	772,300	2,242,400
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	3,399,321	4,739,300	105,072,600	7,311,800
Debt, Deposits and Advances—					
Permanent Debt (net discharged)	C	...	...	...	877,300
Temporary Debt (net discharged)	"	7,722,183	333,300	...	2,666,700
Deposits and Advances (net)	"	4,595,151	...	20,178,400	...
Loans and Advances by Imperial Government (net Advances)	"	...	120,700	3,100	59,500
Loans to Local Boards for Railway Construction	"	...	...	2,000	...
Remittances (net)	"	...	7,279,800	3,795,800	...
Secretary of State's Bills paid	"	8,342,722	466,700	24,760,700	2,060,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	20,660,056	8,200,500	48,740,000	5,663,500
TOTAL DISBURSEMENTS	...	24,059,377	12,939,800	153,812,600	12,975,300
Closing Balance—India	...	15,293,216	12,190,456	15,969,516	11,119,916
England	...	(a) 11,391,993	(a) 11,354,848	(a) 14,036,193	(a) 15,284,493
TOTAL	...	50,744,586	36,485,104	183,818,309	39,379,709

in the notes on pages 52 and 53.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

A —Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1916-1917. India.	England.	Total.	Distribution of Total between Imperial.	Provincial.	REVISED India.	England.
Principal Heads of Revenue—	£	£	£	£	£	£	£
I.—Land Revenue	22,041,265	...	**22,041,265**	10,780,478	11,260,787	22,191,100	...
II.—Opium	3,160,005	...	**3,160,005**	3,160,005	...	3,068,500	...
III.—Salt	4,826,260	...	**4,826,260**	4,826,260	...	5,432,800	...
IV.—Stamps	5,776,696	...	**5,776,696**	2,940,614	2,836,082	5,745,000	...
V.—Excise	9,215,899	...	**9,215,899**	2,573,089	6,642,810	10,050,100	...
VI.—Provincial Rates	31,391	...	**31,391**	234	31,157	28,700	...
VII.—Customs	8,659,182	...	**8,659,182**	8,659,182	...	11,127,900	...
VIII.—Income Tax	3,772,967	...	**3,772,967**	2,053,215	1,719,752	6,075,800	...
IX.—Forest	2,470,795	...	**2,470,795**	96,687	2,374,108	2,681,400	...
X.—Registration	540,581	...	**540,581**	6,388	534,193	533,400	...
XI.—Tributes from Native States	612,429	...	**612,429**	612,429	...	617,800	...
Total	61,107,470	...	**61,107,470**	35,708,581	25,398,889	67,552,500	...
XII.—Interest	861,246	275,258	**1,136,504**	794,810	341,694	922,900	1,322,400
XIII.—Posts and Telegraphs	4,153,236	21,371	**4,174,607**	4,174,607	...	4,444,800	47,800
XV.—Mint	689,866	...	**689,866**	689,866	...	530,700	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	414,799	...	**414,799**	29,639	385,160	435,100	...
XVI.—Law and Justice { Jails	345,725	...	**345,725**	47,795	297,930	388,600	...
XVII.—Police	154,984	54	**155,038**	5,497	149,541	133,100	...
XVIII.—Ports and Pilotage	123,419	...	**123,419**	...	123,419	105,300	...
XIX.—Education	298,278	...	**298,278**	15,281	282,997	322,300	...
XXA.—Medical	83,772	356	**84,128**	951	83,177	93,000	300
XXB.—Sanitation	31,667	...	**31,667**	6,673	24,994	33,100	...
XXIA.—Agriculture	91,111	...	**91,111**	12,137	78,974	107,000	...
XXIB.—Scientific and Miscellaneous Departments	194,870	678	**195,548**	8,142	187,406	301,400	900
Total	1,738,625	1,088	**1,739,713**	126,115	1,613,598	1,918,900	1,200
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	173,379	46,486	**219,865**	143,626	76,239	174,400	39,600
XXIII.—Stationery and Printing	96,034	...	**96,034**	40,971	55,063	93,800	...
XXIV.—Exchange	111,371	...	**111,371**	111,371	...	1,000,000	...
XXV.—Miscellaneous	402,275	17,985	**420,260**	217,763	202,497	1,091,700	200,400
Total	783,059	64,471	**847,530**	513,731	333,799	2,359,900	240,000
Railways—							
XXVI.—State Railways (Gross Receipts)	41,849,739	114,861	**41,964,600**	41,953,574	11,026	45,500,000	107,200
Deduct—Working Expenses	*19,979,096*	...	*19,979,096*	*19,972,320*	*6,776*	*20,666,600*	...
Surplus profits paid to Companies, etc.	*770,442*	...	*770,442*	*770,442*	...	*993,400*	...
Net Receipts	21,100,201	114,861	**21,215,062**	21,210,812	4,250	23,840,000	107,200
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	29,175	69,560	**98,735**	98,735	...	34,000	70,400
Total	21,129,376	184,421	**21,313,797**	21,309,547	4,250	23,874,000	177,600
Irrigation—							
XXIX.—Major Works: Direct Receipts	3,011,227	...	**3,011,227**	1,279,777	1,731,450	3,015,800	...
Portion of Land Revenue due to Irrigation	1,827,108	...	**1,827,108**	992,167	834,941	1,859,200	...
XXX.—Minor Works and Navigation	317,289	...	**317,289**	112,221	205,068	313,000	...
Total	5,155,624	...	**5,155,624**	2,384,165	2,771,459	5,188,000	...
Other Public Works—							
XXXI.—Civil Works	309,373	...	**309,373**	39,346	270,027	318,900	...
Military Receipts—							
XXXII.—Army: Effective	700,993	292,201	**993,194**	993,194	...	745,800	244,300
Non-Effective	83,711	38,613	**122,324**	122,324	...	83,100	38,000
	784,704	330,814	**1,115,518**	1,115,518	...	828,900	282,300
XXXIII.—Marine	365,005	22	**365,027**	365,027	...	301,000	...
XXXIV.—Military Works	95,401	...	**95,401**	95,401	...	90,000	...
Total	1,245,110	330,836	**1,575,946**	1,575,946	...	1,219,900	282,300
Transfers between Imperial and Provincial Revenues	...	...	...	—1,629,367	+1,629,367	...	...
TOTAL REVENUE	97,172,985	877,445	**98,050,430**	65,687,847	32,363,083	108,330,000	2,071,300

India, in India and in England.

ESTIMATE, 1917-1918.				BUDGET ESTIMATE, 1918-1919.						
Total.	Distribution of Total between		Increase + Decrease — as compared with Budget Estimate, 1917-1918.	India.	England.	Total.	Distribution of Total between		Increase + Decrease — of Budget, 1918-1919, as compared with Budget Estimate, 1917-1918.	Increase + Decrease — of Budget, 1918-1919, as compared with Revised Estimate, 1917-1918.
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
22,191,100	10,846,000	11,345,100	—27,100	22,358,500	...	22,358,500	10,878,200	11,480,300	+140,300	+167,400
3,068,500	3,068,500	...	—320,800	3,191,800	...	3,191,800	3,191,800	...	—197,500	+123,300
5,432,800	5,432,800	...	+1,459,900	3,492,200	...	3,492,200	3,492,200	...	—480,700	—1,940,600
5,745,000	2,926,400	2,818,600	—207,100	5,928,000	...	5,928,000	3,017,900	2,910,100	—24,100	+183,000
10,050,100	2,793,100	7,257,000	+721,900	10,373,700	...	10,373,700	2,882,300	7,491,400	+1,045,500	+323,600
28,700	100	28,600	+1,100	29,200	...	29,200	100	29,100	+1,600	+500
11,127,900	11,127,900	...	+1,733,100	10,714,400	...	10,714,400	10,714,400	...	+1,319,600	—413,500
6,075,800	3,873,100	2,202,700	+946,500	6,313,200	...	6,313,200	4,028,100	2,285,100	+1,183,900	+237,400
2,681,400	100,800	2,580,600	+414,700	2,684,300	...	2,684,300	104,300	2,580,000	+417,600	+2,900
533,400	7,000	526,400	—20,900	542,600	...	542,600	6,800	535,800	—11,700	+9,200
617,800	617,800	...	+800	614,600	...	614,600	614,600	...	—2,400	—3,200
67,552,500	40,793,500	26,759,000	+4,702,100	66,242,500	...	66,242,500	38,930,700	27,311,800	+3,392,100	—1,310,000
2,245,300	1,934,200	311,100	+149,600	933,000	2,619,600	3,552,600	3,255,200	297,400	+1,456,900	+1,307,300
4,492,100	4,492,100	...	+146,400	4,699,600	83,200	4,782,800	4,782,800	...	+437,100	+290,700
530,700	530,700	...	+391,600	376,000	...	376,000	376,000	...	+236,900	—154,700
435,100	27,800	407,300	+15,600	440,600	...	440,600	22,300	418,300	+21,100	+5,500
388,600	55,200	333,400	+57,000	386,200	...	386,200	55,500	330,700	+54,600	—2,400
133,100	6,400	126,700	—3,200	173,000	...	173,000	5,500	167,500	+36,700	+39,900
105,300	...	105,300	—12,200	108,900	...	108,900	...	108,900	—8,600	+3,600
322,300	6,700	315,600	+17,000	312,800	...	312,800	7,100	305,700	+7,500	—9,500
93,300	1,600	91,700	+12,400	97,200	300	97,500	800	96,700	+16,600	+4,200
33,100	12,000	21,100	+13,000	29,300	...	29,300	10,000	19,300	+9,200	—3,800
107,000	12,800	94,200	+4,300	142,300	...	142,300	22,900	119,400	+39,600	+35,300
302,300	7,400	294,900	+109,900	264,500	1,000	265,500	8,600	256,900	+73,100	—36,800
1,920,100	129,900	1,790,200	+213,800	1,954,800	1,300	1,956,100	132,700	1,823,400	+249,800	+36,000
214,000	136,500	77,500	—2,100	176,300	38,100	214,400	136,400	78,000	—1,700	+400
93,800	37,400	56,400	+6,900	93,100	...	93,100	39,000	54,100	+6,200	—700
1,000,000	1,000,000	...	+1,000,000	...	...	...	...	...	...	—1,000,000
1,292,100	1,092,700	199,400	+852,100	961,200	26,500	987,700	796,900	190,800	+547,700	—304,400
2,599,900	2,266,600	333,300	+1,856,900	1,230,600	64,600	1,295,200	972,300	322,900	+552,200	—1,304,700
45,607,200	45,597,300	9,900	+3,768,000	47,000,000	500	47,000,500	46,990,500	10,000	+5,161,300	+1,393,300
20,666,600	*20,658,600*	*8,000*	+233,400	*23,044,300*	...	*23,044,300*	*23,035,600*	*8,700*	—2,144,300	—2,377,700
993,400	*993,400*	...	—213,400	*1,066,600*	...	*1,066,600*	*1,066,600*	...	—286,600	—73,200
23,947,200	23,945,300	1,900	+3,788,000	22,889,100	500	22,889,600	22,888,300	1,300	+2,730,400	—1,057,600
104,400	104,400	...	+10,600	16,100	78,000	94,100	94,100	...	+300	—10,300
24,051,600	24,049,700	1,900	+3,798,600	22,905,200	78,500	22,983,700	22,982,400	1,300	+2,730,700	—1,067,900
3,015,800	1,292,800	1,723,000	+43,600	3,092,500	...	3,092,500	1,353,600	1,738,900	+120,300	+76,700
1,859,200	1,009,000	850,200	+1,000	1,921,400	...	1,921,400	1,040,800	880,600	+63,200	+62,200
313,000	119,300	193,700	+18,100	306,500	...	306,500	111,800	194,700	+11,600	—6,500
5,188,000	2,421,100	2,766,900	+62,700	5,320,400	...	5,320,400	2,506,200	2,814,200	+195,100	+132,400
318,900	57,100	261,800	+33,700	304,900	...	304,900	51,100	253,800	+19,700	—14,000
990,100	990,100	...	+126,200	776,800	246,000	1,022,800	1,022,800	...	+158,900	+32,700
121,100	121,100	...	—1,300	83,300	38,000	121,300	121,300	...	—1,100	+200
1,111,200	1,111,200	...	+124,900	860,100	284,000	1,144,100	1,144,100	...	+157,800	+32,900
301,000	301,000	...	+40,200	308,600	...	308,600	308,600	...	+47,800	+7,600
90,000	90,000	...	+10,000	80,000	...	80,000	80,000	...	...	—10,000
1,502,200	1,502,200	...	+175,100	1,248,700	284,000	1,532,700	1,532,700	...	+205,600	+30,500
...	—1,499,700	+1,499,700	....	...	...	...	—1,522,900	+1,522,900	...	...
110,401,300	76,677,400	33,723,900	+11,530,500	105,215,700	3,131,200	108,346,900	73,999,200	34,347,700	+9,476,100	—2,054,400

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1916-1917. India.	England.	Total.	Distribution of Total between Imperial.	Provincial.	REVISED India.	England.
Direct Demands on the Revenues—	£	£	£	£	£	£	£
1.—Refunds and Drawbacks	478,698	...	478,698	359,244	119,454	545,700	...
2.—Assignments and Compensations	1,250,357	...	1,250,357	557,419	692,938	1,303,700	...
Charges in respect of Collection, viz.:—							
3.—Land Revenue	3,811,518	1,615	3,813,133	271,795	3,541,338	3,863,400	2,100
4.—Opium (including cost of Production)	911,577	817	912,394	912,394	...	1,113,800	1,400
5.—Salt (including cost of Production)	396,460	1,726	398,186	398,186	...	425,300	600
6.—Stamps	63,194	110,272	173,466	99,268	74,198	70,900	125,000
7.—Excise	478,287	345	478,632	145,500	333,132	490,500	400
9.—Customs	270,830	334	271,164	271,164	...	281,400	200
10.—Income Tax	37,112	...	37,112	18,700	18,412	42,300	...
11.—Forest	1,249,592	2,173	1,251,765	83,302	1,168,463	1,381,200	600
12.—Registration	263,761	...	263,761	1,886	261,875	270,500	...
Total	9,211,386	117,282	9,328,668	3,118,858	6,209,810	9,788,700	130,300
Interest—							
13.—Interest on Debt	3,777,813	5,846,832	9,624,645	8,712,156	912,489	6,286,700	9,938,800
Deduct—Amounts chargeable to Railways†	*4,139,212*	*3,620,110*	*7,759,322*	*7,759,322*	...	*4,227,800*	*3,600,000*
" Amounts chargeable to Irrigation	*1,292,620*	*120,585*	*1,413,205*	*725,528*	*689,677*	*1,320,500*	*120,800*
Remainder chargeable on Ordinary Debt	—1,654,019	2,106,137	452,118	229,306	222,812	738,400	6,218,000
14.—Interest on other obligations	722,746	...	722,746	722,746	...	841,100	...
Total	—931,273	2,106,137	1,174,864	952,052	222,812	1,579,500	6,218,000
15.—Posts and Telegraphs	3,122,690	318,697	3,441,387	3,441,387	...	3,272,900	326,100
17.—Mint	158,662	8,749	167,411	167,411	...	157,800	22,000
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,679,065	404,072	2,083,137	1,168,685	914,452	1,722,500	500,600
19.—Law and Justice Courts	3,306,576	450	3,307,026	82,002	3,225,024	3,324,900	1,400
Jails	1,086,275	147	1,086,422	170,195	916,227	1,137,900	...
20.—Police	5,424,190	...	5,424,190	295,814	5,128,376	5,545,800	200
21.—Ports and Pilotage	199,668	...	199,668	...	199,668	194,300	...
22.—Education	3,123,602	9,346	3,132,948	111,736	3,021,212	3,350,100	12,000
23.—Ecclesiastical	128,357	180	128,537	128,537	...	130,300	400
24A.—Medical	864,820	946	865,766	79,577	786,189	964,000	800
24B.—Sanitation	518,617	1,681	520,298	78,031	442,267	577,900	1,700
25.—Political	1,260,361	22,082	1,282,443	1,119,930	162,513	2,215,500	36,100
26A.—Agriculture	607,668	3,947	611,615	66,053	545,562	693,300	3,900
26B.—Scientific and Miscellaneous Departments	398,756	40,424	439,180	277,621	161,559	458,100	43,400
Total	18,597,955	483,275	19,081,230	3,578,181	15,503,049	20,314,600	600,500
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	197,418	10,550	207,968	207,968	...	193,900	10,600
28.—Civil Furlough and Absentee Allowances	1,509	251,007	252,516	252,516	...	1,800	194,000
29.—Superannuation Allowances and Pensions	1,467,475	2,008,225	3,475,700	2,125,633	1,350,067	1,523,500	1,989,000
30.—Stationery and Printing	690,584	116,454	807,038	306,634	500,404	863,300	118,500
32.—Miscellaneous	464,655	206,395	671,050	459,908	211,142	559,200	441,000
Total	2,821,641	2,592,631	5,414,272	3,352,659	2,061,613	3,141,700	2,753,100
Famine Relief and Insurance—							
33.—Famine Relief	187,617	...	187,617	140,762	46,855	6,500	...
34.—Construction of Protective Railways	—476	...	—476	—476	...	100	...
35.—Construction of Protective Irrigation Works	332,468	1,133	333,601	333,601	...	352,300	1,400
36.—Reduction or Avoidance of Debt	479,258	...	479,258	380,686	98,572	639,700	...
Total	998,867	1,133	1,000,000	854,573	145,427	998,600	1,400
Carried over	33,979,928	5,627,904	39,607,832	15,465,121	24,142,711	39,253,800	10,051,400

	ACCOUNTS, 1916-1917. India.	England.	Total.	REVISED ESTIMATE, 1917-1918. India.	England.	Total.
†Included under the following heads:—	£	£	£	£	£	£
State Railways—Interest on Debt	4,121,990	3,538,860	7,660,850	4,210,600	3,518,800	7,729,400
Ditto —Interest chargeable against Companies on Advances	17,222	81,250	98,472	17,200	81,200	98,400
Total	4,139,212	3,620,110	7,759,322	4,227,800	3,600,000	7,827,800

Revenues of India, in India and in England.

ESTIMATE, 1917-1918.			Increase + Decrease − as compared with Budget Estimate, 1917-1918.	BUDGET ESTIMATE, 1918-1919.					Increase + Decrease − of Budget, 1918-1919, as compared with Budget Estimate, 1917-1918.	Increase + Decrease − of Budget, 1918-1919, as compared with Revised Estimate, 1917-1918.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
545,700	415,700	130,000	+115,400	516,700	...	**516,700**	389,000	127,700	+86,400	−29,000
1,303,700	590,600	713,100	+30,900	1,325,000	...	**1,325,000**	610,000	715,000	+52,200	+21,300
3,865,500	284,000	3,581,500	−114,100	4,017,900	1,500	**4,019,400**	315,200	3,704,200	+39,800	+153,900
1,115,200	1,115,200	...	−205,800	1,253,100	1,200	**1,254,300**	1,254,300	...	−66,700	+139,100
425,900	425,900	...	+17,300	480,800	2,500	**483,300**	483,300	...	+74,700	+57,400
195,900	114,600	81,300	+35,200	73,400	120,000	**193,400**	110,500	82,900	+32,700	−2,500
490,900	147,100	343,800	+2,400	516,900	200	**517,100**	152,500	364,600	+28,600	+26,200
281,600	281,600	...	−4,300	292,900	100	**293,000**	293,000	...	+7,100	+11,400
42,300	21,600	20,700	+1,200	51,500	...	**51,500**	26,400	25,100	+10,400	+9,200
1,381,800	82,900	1,298,900	+12,700	1,508,700	2,500	**1,511,200**	100,900	1,410,300	+142,100	+129,400
270,500	2,000	268,500	+600	273,400	...	**273,400**	1,900	271,500	+3,500	+2,900
9,919,000	3,481,200	6,437,800	−108,500	10,310,300	128,000	**10,438,300**	3,737,000	6,701,300	+410,800	+519,300
16,225,500	15,313,600	911,900	+647,000	7,073,300	9,196,200	**16,269,500**	15,354,000	915,500	+691,000	+44,000
7,827,800	*7,827,800*	...	+304,900	*4,344,300*	*3,588,600*	***7,932,900***	*7,932,900*	...	+199,800	−105,100
1,441,300	*742,300*	*699,000*	+84,900	*1,348,300*	*121,000*	***1,469,300***	*762,000*	*707,300*	+56,900	−28,000
6,956,400	6,743,500	212,900	+1,036,800	1,380,700	5,486,600	**6,867,300**	6,659,100	208,200	+947,700	−89,100
841,100	841,100	...	−72,100	917,000	...	**917,000**	917,000	...	+3,800	+75,900
7,797,500	7,584,600	212,900	+964,700	2,297,700	5,486,600	**7,784,300**	7,576,100	208,200	+951,500	−13,200
3,599,000	3,599,000	...	−2,900	3,489,800	441,600	**3,931,400**	3,931,400	...	+329,500	+332,400
179,800	179,800	...	+71,200	152,500	17,500	**170,000**	170,000	...	+61,400	−9,800
2,223,100	1,284,700	938,400	+166,200	1,703,300	560,200	**2,263,500**	1,323,600	939,900	+206,600	+40,400
3,326,300	79,600	3,246,700	−54,300	3,391,400	800	**3,392,200**	76,600	3,315,600	+11,600	+65,900
1,137,900	173,000	964,900	+12,500	1,153,700	...	**1,153,700**	174,900	978,800	+28,300	+15,800
5,546,000	333,400	5,212,600	−183,900	5,866,500	100	**5,866,600**	355,500	5,511,100	+136,700	+320,600
194,300	...	194,300	−1,000	200,900	...	**200,900**	...	200,900	+5,600	+6,600
3,362,100	124,400	3,237,700	−261,300	4,110,600	10,500	**4,121,100**	152,200	3,968,900	+497,700	+759,000
130,700	130,700	...	−11,800	136,500	300	**136,800**	136,800	...	−5,700	+6,100
964,800	84,800	880,500	−3,700	1,036,100	800	**1,036,900**	90,200	946,700	+68,400	+73,100
579,600	84,500	495,100	−31,000	713,300	1,500	**714,800**	129,700	585,100	+104,200	+135,200
2,251,600	2,071,300	180,300	+398,400	2,614,800	17,900	**2,632,700**	2,417,500	215,200	+779,500	+381,100
697,200	81,100	616,100	−169,100	834,500	6,800	**841,300**	87,600	753,700	−25,000	+144,100
501,500	304,200	197,300	−35,700	575,200	57,300	**632,500**	314,300	318,200	+95,300	+131,000
20,915,100	4,751,200	16,163,900	−174,700	22,336,800	656,200	**22,993,000**	5,258,900	17,734,100	+1,903,200	+2,077,900
204,500	204,500	...	−5,900	196,800	10,600	**207,400**	207,400	...	−3,000	+2,900
195,800	195,800	...	−65,700	1,300	194,000	**195,300**	195,300	...	−66,200	−500
3,512,500	2,109,800	1,402,700	−29,000	1,580,600	1,991,000	**3,571,600**	2,110,200	1,461,400	+36,100	+59,100
981,200	453,500	528,300	+120,500	843,400	108,500	**951,900**	372,000	579,900	+90,600	−29,900
1,000,200	708,600	291,600	+449,700	690,500	28,000	**718,500**	207,500	511,000	+168,000	−281,700
5,894,800	3,672,200	2,222,600	+475,600	3,312,600	2,332,100	**5,644,700**	3,092,400	2,552,300	+225,500	−250,100
6,500	4,900	1,600	−49,800	40,400	...	**40,400**	30,300	10,100	−15,900	+33,900
100	100	...	+600	−500	...	**−500**	−500	...	...	−600
353,700	353,700	...	−66,300	396,100	10,600	**406,700**	406,700	...	−13,300	+53,000
639,700	639,700	...	+115,500	553,400	...	**553,400**	553,400	...	+29,200	−86,300
1,000,000	998,400	1,600	...	989,400	10,600	**1,000,000**	989,900	10,100	...	...
49,305,200	24,266,400	25,038,800	+1,225,400	42,889,100	9,072,600	**51,961,700**	24,755,700	27,206,000	+3,881,900	+2,656,500

BUDGET ESTIMATE, 1918-1919.		
India	England.	Total.
£	£	£
4,326,900	3,507,400	**7,834,300**
17,400	81,200	**98,600**
4,344,300	3,588,600	**7,932,900**

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1916-1917. India.	England.	Total.	Distribution of Total between Imperial.	Provincial.	REVISED India.	England.
	£	£	£	£	£	£	£
Brought forward	33,979,928	5,627,904	**39,607,832**	15,465,121	24,142,711	39,253,800	10,051,400
Railways—							
38.—State Railways: Interest on Debt	4,121,990	3,538,860	**7,660,850**	7,660,850	...	4,210,600	3,518,800
Annuities in purchase of Railways	...	3,357,650	**3,357,650**	3,357,650	...	...	3,357,700
Sinking Funds	...	323,647	**323,647**	323,647	...	...	333,600
Interest chargeable against Companies on Advances	17,222	81,250	**98,472**	98,472	...	17,200	81,200
Interest on Capital deposited by Companies	55,708	2,170,232	**2,225,940**	2,225,940	...	58,900	2,205,800
40.—Subsidised Companies: Land, etc.	162,451	...	**162,451**	161,544	907	73,300	...
41.—Miscellaneous Railway Expenditure	2,912	...	**2,912**	2,911	1	19,700	...
Total	4,360,283	9,471,639	**13,831,922**	13,831,014	908	4,379,700	9,497,100
Irrigation—							
42.—Major Works: Working Expenses	1,351,194	...	**1,351,194**	637,718	713,476	1,418,300	...
Interest on Debt	1,292,620	120,585	**1,413,205**	723,528	689,677	1,320,500	120,800
43.—Minor Works and Navigation	785,076	437	**785,513**	239,078	546,435	883,200	...
Total	3,428,890	121,022	**3,549,912**	1,600,324	1,949,588	3,622,000	120,800
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	2,204	...	**2,204**	...	2,204	700	...
45.—Civil Works	4,562,918	53,413	**4,616,331**	745,961	3,870,370	5,034,200	45,600
Total	4,565,122	53,413	**4,618,535**	745,961	3,872,574	5,034,900	45,600
Military Services—							
46.—Army: Effective	18,030,182	3,191,512	**21,221,694**	21,221,694	...	20,437,700	4,102,300
Non-Effective	856,347	2,181,962	**3,038,309**	3,038,309	...	969,900	2,155,400
	18,886,529	5,373,474	**24,260,003**	24,260,003	...	21,407,600	6,257,800
46A.—Marine	272,362	421,318	**693,680**	693,680	...	328,600	408,000
47.—Military Works	1,522,163	72,375	**1,594,538**	1,594,538	...	1,806,300	66,000
47A.—Special Defences (1902)	14,054	4,482	**18,536**	18,536	...	10,300	100
Total	20,695,108	5,871,649	**26,566,757**	26,566,757	...	23,552,800	6,731,900
Total Expenditure, Imperial and Provincial	67,029,331	21,145,627	**88,174,958**	58,209,177	29,965,781	75,873,200	26,446,800
Add—Portion of Allotments to Provincial Governments not spent by them in the year	2,397,302	...	**2,397,302**	...	2,397,302	2,322,900	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	...	...	...	...	...	*66,700*	...
Total Expenditure charged to Revenue	69,426,633	21,145,627	**90,572,260**	58,209,177	32,363,083	78,129,400	26,446,800

	ACCOUNTS, 1916-1917. India.	England.	Total.
Capital Expenditure not charged to Revenue—	£	£	£
48.—State Railways	1,553,694	318,654	**1,872,348**
49.—Irrigation Works	505,115	6,968	**512,083**
Total	2,058,809	325,622	**2,384,431**
51.—Initial Expenditure on new Capital at Delhi	222,443	21,854	**244,297**
52.—India's Financial Contribution to the War	...	...	...

Revenues of India, in India and in England—*continued.*

ESTIMATE, 1917-1918.			Increase + Decrease — as compared with Budget Estimate, 1917-1918.	BUDGET ESTIMATE, 1918-1919.					Increase + Decrease — of Budget, 1918-1919, as compared with Budget Estimate, 1917-1918.	Increase + Decrease — of Budget, 1918-1919, as compared with Revised Estimate, 1917-1918.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
49,305,200	24,266,400	25,038,800	+ 1,225,400	42,889,100	9,072,600	**51,961,700**	24,755,700	27,206,000	+ 3,881,900	+ 2,656,500
7,729,400	7,729,400	...	— 305,000	4,326,900	3,507,400	**7,834,300**	7,834,300	...	— 200,100	+ 104,900
3,357,700	3,357,700	...	...	...	3,357,600	**3,357,600**	3,357,600	...	— 100	— 100
333,600	333,600	...	+ 103,600	...	242,800	**242,800**	242,800	...	+ 12,800	— 90,800
98,400	98,400	...	+ 100	17,400	81,200	**98,600**	98,600	...	+ 300	+ 200
2,264,700	2,264,700	...	— 10,900	62,100	2,126,600	**2,188,700**	2,188,700	...	— 86,900	— 76,000
73,300	72,700	600	— 54,100	33,300	...	**33,300**	32,700	600	— 94,100	— 40,000
19,700	19,600	100	— 4,300	26,700	...	**26,700**	26,600	100	+ 2,700	+ 7,000
13,876,800	13,876,100	700	— 270,600	4,466,400	9,315,600	**13,782,000**	13,781,300	700	— 365,400	— 94,800
1,418,300	676,100	742,200	+ 27,000	1,469,000	...	**1,469,000**	711,100	757,900	+ 77,700	+ 50,700
1,441,300	742,300	699,000	— 84,900	1,348,300	121,000	**1,469,300**	762,000	707,300	— 56,900	+ 28,000
883,200	252,200	631,000	— 33,400	990,000	400	**990,400**	296,700	693,700	+ 73,800	+ 107,200
3,742,800	1,670,600	2,072,200	— 91,300	3,807,300	121,400	**3,928,700**	1,769,800	2,158,900	+ 94,600	+ 185,900
700	...	700	— 800	700	...	**700**	...	700	— 800	...
5,109,800	754,500	4,355,300	— 433,500	5,905,700	39,200	**5,944,900**	868,200	5,076,700	+ 401,600	+ 835,100
5,110,500	754,500	4,356,000	— 434,300	5,906,400	39,200	**5,945,600**	868,200	5,077,400	+ 400,800	+ 835,100
24,540,100	24,540,100	...	+ 2,539,900	22,278,900	2,379,500	**24,658,400**	24,658,400	...	+ 2,658,200	+ 118,300
3,125,300	3,125,300	...	— 90,400	1,071,400	2,061,100	**3,132,500**	3,132,500	...	— 83,200	+ 7,200
27,665,400	27,665,400	...	+ 2,449,500	23,350,300	4,440,600	**27,790,900**	27,790,900	...	+ 2,575,000	+ 125,500
736,600	736,600	...	— 101,900	350,200	610,100	**960,300**	960,300	...	+ 121,800	+ 223,700
1,872,300	1,872,300	...	+ 713,600	1,767,500	14,000	**1,781,500**	1,781,500	...	+ 622,800	— 90,800
10,400	10,400	...	— 3,600	...	...	...	...	...	— 14,000	— 10,400
30,284,700	30,284,700	...	+ 3,057,600	25,468,000	5,064,700	**30,532,700**	30,532,700	...	+ 3,305,600	+ 248,000
102,320,000	70,852,300	31,467,700	+ 3,486,800	82,537,200	23,613,500	**106,150,700**	71,707,700	34,443,000	+ 7,317,500	+ 3,830,700
2,322,900	...	2,322,900	+ 2,082,600	351,400	...	**351,400**	...	351,400	+ 111,100	— 1,971,500
66,700	...	*66,700*	+ 271,400	*446,700*	...	***446,700***	...	*446,700*	— 108,600	— 380,000
104,576,200	70,852,300	33,723,900	+ 5,840,800	82,441,900	23,613,500	**106,055,400**	71,707,700	34,347,700	+ 7,320,000	+ 1,479,200

REVISED ESTIMATE, 1917-1918.			BUDGET ESTIMATE, 1918-1919.		
India.	England.	Total.	India.	England.	Total.
£	£	£	£	£	£
2,416,300	607,100	**3,023,400**	2,941,400	763,000	**3,704,400**
503,200	1,300	**504,500**	451,700	15,000	**466,700**
2,919,500	608,400	**3,527,900**	3,393,100	778,000	**4,171,100**
243,900	6,800	**250,700**	253,000	13,700	**266,700**
...	100,000,000	**100,000,000**	...	...	...

C.—Statement of Receipts and Disbursements of the

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	97,172,985	877,445	98,050,430	108,330,000	2,071,300	110,401,300	105,215,700	3,131,200	108,346,900
Excess of Revenue over Expenditure charged to Revenue			**7,478,170**			**5,825,100**			**2,291,500**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways	...	...	...	—500,000	...	—500,000	—250,000	...	—250,000
Capital contributed by Native States towards construction of State Railways	66,667	...	66,667	66,700	...	66,700	33,300	...	33,300
Outlay of Railway Companies—									
Repayments	...	14,772	14,772	...	7,400	7,400	...	2,000	2,000
Net			0			0			0
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	630,431	...	630,431	310,200	...	310,200	132,500	...	132,500
Net			555,431			0			0
Permanent Debt Incurred—									
Sterling Debt—									
British Government 5 per cent. War loan, 1929-47	...	...		...	64,861,000		...	...	
Rupee Debt—							(a)		
Rupee Loan	...	...		...	...		20,000,000	...	
5 per cent. War Loan 1929-47	736,768	...		7,624,500	...		...	...	
4 „ Conversion Loan 1916-17	4,486,680	...		...	..		...	...	
Total	5,223,448	...	5,223,448	7,624,500	64,861,000	72,485,500	20,000,000	...	20,000,000
Net			4,433,691			68,943,800			0
Temporary Debt Incurred—									
5½ per cent. War Bonds 1,920	1,765,813	...		11,434,900	...		...	...	
Do. do. 1,922	1,512,004	...		6,456,300	...		...	...	
Treasury Bills	...	...		27,333,300	...		27,333,300	...	
Other Temporary Loans	...	2,000,000		2,666,700	...		...	...	
Total	3,277,817	2,000,000	5,277,817	47,891,200	...	47,891,200	27,333,300	...	27,333,300
Net			0			47,557,900			0
Unfunded Debt—									
Post Office Cash Certificates	...	...		6,666,700	...		...	...	
Deposits of Service Funds	87,749	27		86,500	...		86,100	...	
Savings Bank Deposits	7,512,896	...		10,848,500	...		8,167,100	...	
Total	7,600,645	27	7,600,672	17,601,700	...	17,601,700	8,253,200	...	8,253,200
Net			1,474,857			9,383,200			1,215,300
Deposits and Advances—									
Balances of Provincial Allotments	2,397,302	...		2,822,900	...		351,400	...	
Appropriation for Reduction or Avoidance of Debt	479,258	...		639,700	...		553,400	...	
Deposits of Local Funds—									
District Funds	5,416,592	...		5,542,200	...		5,482,400	...	
Other Funds	1,224,572	...		1,201,500	...		1,212,400	...	
Deposits of Sinking Funds	16,479	...		17,100	...		17,800	...	
Gold Standard Reserve	4,213,830	24,525,105		1,092,600	33,584,300		...	28,008,300	
Paper Currency Reserve	...	46,984,376		...	79,267,000		...	91,479,300	
Do. Depreciation Fund	...	399,080		...	1,224,300		...	1,481,000	
Special Reserve	...	...		...	...		...	11,998,100	
Departmental and Judicial Deposits	34,137,966	...		38,985,800	...		33,620,200	...	
Advances	8,091,669	2,934,337		9,871,100	2,564,600		10,736,800	1,854,600	
Suspense Accounts	165,730	...		151,600	...		362,300	...	
Miscellaneous	251,799	955,320		2,813,300	589,400		297,300	671,200	
Total	56,395,197	75,798,218	132,193,415	62,637,800	117,229,600	179,867,400	52,634,000	135,492,500	188,126,500
Net			0			0			3,912,800
Carried over	170,367,190	78,690,462		243,962,100	184,169,300		213,352,000	138,625,700	

(a) The entry of the proposed Rupee War Loan to be issued in 1918-19 under this head is purely provisional, pending decision as to the form which the loan should actually take.

Government of India, in India and in England.

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	67,029,331	21,145,627	88,174,958	75,873,200	26,446,800	102,320,000	82,537,200	23,613,500	106,150,700
Add—Provincial Surpluses transferred to "Deposits"	2,397,302	...	2,397,302	2,322,900	...	2,322,900	351,400	...	351,400
Deduct—Provincial Deficits charged to "Deposits"	...	...	...	*66,700*	...	*66,700*	*446,700*	...	*446,700*
Total	69,426,633	21,145,627	90,572,260	78,129,400	26,446,800	104,576,200	82,441,900	23,613,500	106,055,400
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	505,115	6,968	512,083	503,200	1,300	504,500	451,700	15,000	466,700
Outlay on State Railways	1,553,694	318,654	1,872,348	2,416,300	607,100	30,23,400	2,941,400	763,000	3,704,400
Initial expenditure on new Capital at Delhi	222,443	21,854	244,297	243,900	6,800	250,700	253,000	13,700	266,700
India's Financial Contribution to the War	...	...	...	...	100,000,000	100,000,000	...	...	...
Outlay of Railway Companies—									
Payments for Capital Outlay	450,036	335,329	785,365	75,400	453,700	529,100	—169,700	803,300	633,600
Net			**770,593**			**521,700**			**631,600**
Raised and deposited by Railway Companies—									
Payments for Discharge of Debentures	...	75,000	75,000	...	1,082,500	1,082,500	...	2,374,900	2,374,900
Net			**0**			**772,300**			**2,242,400**
Permanent Debt Discharged—									
Sterling Debt—									
British Government 5 per cent. War Loan, 1929-47	...	...		...	...		...	20,000,000	
India Bonds	...	500,000		...	500,000		...	500,000	
India 4 p. c. Stock	...	...		...	200		...	...	
Rupee Debt—									
5 per cent. War Loan	...	...		293,300	...		293,300	...	
4 p. c. Loans	80,000	...		505,800	...		80,000	...	
3½ p. c. Loans	154,790	...		2,098,800	...		...	...	
3 p. c. Loan	54,967	...		144,100	...		4,000	...	
Total	289,757	500,000	789,757	3,041,500	500,200	3,541,700	377,300	20,500,000	20,877,300
Net			**0**			**0**			**877,300**
Temporary Debt Discharged—									
Treasury Bills	...	...		...	...		27,333,300	...	
Other Temporary Loans	4,000,000	9,000,000		333,300	...		2,666,700	...	
Total	4,000,000	9,000,000	13,000,000	333,300	...	333,300	30,000,000	...	30,000,000
Net			**7,722,183**			**0**			**2,666,700**
Unfunded Debt—									
Post Office Cash Certificates	...	...		666,700	...		...	...	
Special Loans	220	...		100	...		100	...	
Deposits of Service Funds	93,064	...		96,300	...		98,000	...	
Savings Bank Deposits	6,032,531	...		7,455,400	...		6,939,800	...	
Total	6,125,815	...	6,125,815	8,218,500	...	8,218,500	7,037,900	...	7,037,900
Net			**0**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	...	...		66,700	...		446,700	...	
Deposits of Local Funds—									
District Funds	5,388,742	...		5,776,400	...		5,463,300	...	
Other Funds	1,142,666	...		1,204,900	...		1,175,200	...	
Gold Standard Reserve	4,033,724	24,316,280		1,274,000	33,585,700		...	28,008,300	
Paper Currency Reserve	...	46,984,376		...	79,267,000		...	91,479,300	
Do. Depreciation Fund	...	399,060		...	1,224,300		...	1,481,000	
Special Reserve	...	...		...	20,000,000		...	11,998,100	
Departmental and Judicial Deposits	33,598,366	...		37,948,300	...		33,444,100	...	
Advances	8,468,296	3,013,624		12,438,800	2,558,200		8,048,700	2,157,200	
Suspense Accounts	9,108,843	...		4,185,700	...		73,400	...	
Miscellaneous	23,944	310,625		18,500	497,300		...	438,400	
Total	61,764,581	75,023,985	136,788,566	62,913,300	137,132,500	200,045,800	48,651,400	135,562,300	184,213,700
Net			**4,595,151**			**20,178,400**			**0**
Carried over	144,338,074	106,427,417		155,874,800	266,230,900		171,984,900	183,645,700	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	170,367,190	78,690,462		243,962,100	184,169,300		213,352,000	138,625,700	
Loans and Advances by Imperial Government	330,072	...	330,072	358,300	...	358,300	186,600	...	186,600
Net			2,451			0			0
Loans and Advances by Provincial Governments	1,396,171	...	1,396,171	1,245,100	...	1,245,100	1,069,300	...	1,069,300
Net			585,495			598,400			162,400
Loans to Local Boards for Railway Construction	8,020	...	8,020	40,000	...	40,000	8,700	...	8,700
Net	—		8,020			0			8,700
Remittances—									
Inland Money Orders	42,013,744	...		48,000,000	...		50,000,000	...	
Other Local Remittances	42,936	...		16,649,100	...		11,834,900	...	
Other Departmental Accounts	16,145	...		...	...		31,600	...	
Net Receipts by Civil Treasuries from—									
Railways	15,847,380	...		20,933,500	...		19,390,500	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	1,268,318	...		8,926,500	...		4,082,900	...	
Marine	7,796,429	...		7,684,500	...		6,338,900	...	
Military Works	3,292,904	...		3,796,000	...		2,123,700	...	
Military	41,182,880	...		68,163,400	...		78,632,200	...	
Remittance Account between England and India—									
Transfers through Currency	...	...		...	...		16,347,000	...	
Purchase of Silver	14,957,577	...		13,333,300	...		12,949,100	...	
War Office transactions	24,314,635	38,516,104		6,667,000	67,442,000		5,834,000	73,834,000	
Railway transactions	703,597	16,966		977,600	40,000		1,228,100	6,500	
Other „	8,131,554	7,007,199		3,207,300	19,374,700		3,515,200	11,367,500	
Total	159,568,099	45,540,269	205,108,368	198,338,200	86,856,700	285,194,900	212,308,100	85,208,000	297,516,100
Net			1,651,160			0			2,000,000
Secretary of State's Bills drawn	...	(a) 9,669,240	9,669,240	...	(c) 25,258,000	25,258,000	...	...	...
Total Receipts	331,669,552	133,899,971		443,943,700	296,284,000		426,524,700	223,833,700	
Opening Balance	12,016,056	(b) 12,803,348		15,293,216	(d) 11,391,993		15,969,516	(e) 14,036,193	
GRAND TOTAL	343,685,608	146,703,319		459,236,916	307,675,993		442,894,216	237,869,893	

(a) In addition to £4,334,537 and £18,994,318 on account of the Gold Standard Reserve and the Paper Currency Reserve, respectively.
(c) In addition to £1,420,000 and £8,658,600 on account of the Gold Standard Reserve and the Paper Currency Reserve, respectively.
(e) Of this amount £6,000,056 represents the funds of the Gold Standard Reserve.

Delhi,
Finance Department,
March 1, 1918.

M. F. GAUNTLETT,
Offg. Comptroller General.

Government of India, in India and in England—*continued.*

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	144,338,074	106,427,417		155,874,800	266,230,900		171,984,900	183,645,700	
Loans and Advances by Imperial Government . .	327,621	...	327,621	361,400	...	361,400	246,100	...	246,100
Net .			0			3,100			59,500
Loans and Advances by Provincial Governments .	810,676	...	810,676	646,700	...	646,700	906,900	...	906,900
Net .			0			0			0
Loans to Local Boards for Railway Construction.									
Net .	...	...	... 0	42,000	...	42,000 2,000	...	...	... 0
Remittances—									
Inland Money Orders .	41,851,366	...		48,000,000	...		50,000,000	...	
Other Local Remittances	...	...		16,649,100	...		11,834,900	...	
Other Departmental Accounts . . .	6,337	...		...	...		31,600	...	
Net Payments into Civil Treasuries by—									
Railways . . .	15,664,799	...		21,153,500	...		19,390,500	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs .	1,266,158	...		8,926,500	...		4,082,900	...	
Marine . . .	7,774,838	...		7,684,500	...		6,338,900	...	
Military Works .	3,221,843	...		3,796,000	...		2,123,700	...	
Military . . .	41,172,687	...		68,163,400	...		78,632,200	...	
Remittance Account between England and India—									
Transfers through Currency . .	...	...		...	...		...	16,347,000	
Purchase of Silver .	2,827	16,093,978		...	13,500,000		...	12 000.000	
War Office transactions	55,175,547	5,320,891		69,667,000	6,767,000		73,834,000	5,834,000	
Railway transactions.	251	720,312		...	1,017,600		...	1,234,600	
Other „ .	8,436,646	6,748,728		17,541,800	6,124,300		10,307,700	3.524,100	
Total .	174,573,299	28,883,909	203,457,208	261,581,800	27,408,900	288,990,700	256,576,400	38,939,700	295,516,100
Net .			0			3,795,800			0
Secretary of State's Bills paid .	(a) 8,342,722	...	8,342,722	(c) 24,760,700	...	24,760,700	2,060,000	...	2,060,000
Total Disbursements .	328,392,392	135,311,326		443,267,400	293,639 800		431,774,300	222,585,400	
Closing Balance .	15,293,216	(d) 11,391,993		15,969,516	(e) 14,036,193		11,119,916	(e) 15,284,493	
GRAND TOTAL .	343,685,608	146,703,319		459,236,916	307,675,993		442,894,216	237,869,893	

(b) Of this amount £5,792,631 represents the funds of the Gold Standard Reserve.
(d) Of this amount £6,001,456 represents the funds of the Gold Standard Reserve.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1916-17.	Revised, 1917-18.	Budget, 1918-19.
	R	R	R
Madras—			
Balance on April 1st	1,10,02,216	1,52,38,000	1,89,82,000
Special grants from Imperial revenues	24,71,500	28,75,000	34,25,000
Other revenue	7,70,07,188	7,96,45,000	8,08,44,000
Total Revenue including transfers from Imperial revenues	7,94,78,688	8,25,20,000	8,42,69,000
Total Expenditure	7,52,42,984	7,87,76,000	8,37,10,000
Closing Balance	1,52,37,920	1,89,82,000	1,95,41,000
Bombay—			
Balance on April 1st	1,77,00,898	2,71,28,000	3,93,38,000
Special grants from Imperial revenues	20,81,200	24,81,000	27,30,000
Other revenue	7,96,63,216	8 56,24,000	8,75,78,000
Total Revenue including transfers from Imperial revenues	8,17,44,416	8,81,05,000	9,03,08,000
Total Expenditure	7,23,16,714	7,58,95,000	8,68,02,000
Closing Balance	2,71,28,600	3,93,38,000	4,28,44,000
Bengal—			
Balance on April 1st	2,79,19,185	3,39,64,000	3,79,52,000
Special grants from Imperial revenues	35,12,600	44,15,000	49,69,000
Other revenue	6,27,19,436	6,44,37,000	6,46,65,000
Total Revenue including transfers from Imperial revenues	6,62,32,036	6,88,52,000	6,96,34,000
Total Expenditure	6,01,87,132	6,48,64,000	7,36,54,000
Closing Balance	3,39,64,039	3,79,52,000	3,39,32,000
United Provinces—			
Balance on April 1st	1,55,34,726	1,92,44,000	2,44,94,000
Special grants from Imperial revenues	24,28,500	34,42,000	29,17,000
Other revenue	6,77,67,222	6,95,94,000	6,98,72,000
Total Revenue including transfers from Imperial revenues	7,01,95,722	7,30,36,000	7,27,89,000
Total Expenditure	6,64,86,884	6,77,86,000	7,19,32,000
Closing Balance	1,92,43,564	2,44,94,000	2,53,51,000
Punjab—			
Balance on April 1st	63,54,888	1,22,75,000	1,85,53,000
Special grants from Imperial revenues	15,22,400	27,90,000	17,80,000
Other revenue	5,02,46,217	5,14,66,000	5,30,21,000
Total Revenue including transfers from Imperial revenues	5,17,68,617	5,42,56,000	5,48,01,000
Total Expenditure	4,58,48,710	4,79,78,000	5,46,61,000
Closing Balance	1,22,74,795	1,85,53,000	1,86,93,000
Burma—			
Balance on April 1st	88,52,055	1,17,80,000	1,32,62,000
Special grants from Imperial revenues	9,93,800	12,94,000	14,44,000
Other revenue	5,83,39,875	5,86,30,000	5,93,25,000
Total Revenue including transfers from Imperial revenues	5,93,33,675	5,99,24,000	6,07,69,000
Total Expenditure	5,59,05,867	5,84,42,000	6,09,76,000
Closing Balance	1,17,79,863	1,32,62,000	1,30,55,000
Bihar and Orissa—			
Balance on April 1st	1,42,99,955	1,48,01,000	1,38,00,000
Special grants from Imperial revenues	14,63,500	15,80,000	21,59,000
Other revenue	3,03,96,954	3,08,27,000	3,25,63,000
Total Revenue including transfers from Imperial revenues	3,18,60,454	3,27,07,000	3,47,22,000
Total Expenditure	3,13,59,459	3,37,08,000	3,67,16,000
Closing Balance	1,48,00,950	1,38,00,000	1,18,06,000
Central Provinces—			
Balance on April 1st	1,00,64,032	1,26,35,000	1,39,49 000
Special grants from Imperial revenues	9,14,000	12,99,000	12,24,000
Other revenue	2,93.6.,362	2,99,04,000	3,07,90,000
Total Revenue including transfers from Imperial revenues	3,02,75,362	3,12,03,000	3,20,14,000
Total Expenditure	2,77.04.121	2,98,89,000	3,24,94,000
Closing Balance	1,26,35,273	1,39,49,000	1,34,69,000
Assam—			
Balance on April 1st	19,97,779	21,20,000	26,97,000
Special grants from Imperial revenues	4,47,500	5,48,000	6,48,000
Other revenue	1,41,09,770	1,47,07,000	1,52,61,000
Total Revenue including transfers from Imperial revenues	1,45,57,270	1,52,55,000	1 59,09,000
Total Expenditure	1,44.34 836	1,46,78,000	1,57,00,000
Closing Balance	21,20,213	26,97,000	29,06,000
Total—			
Balance on April 1st	11,32.25.684	14,91,85,000	18,30,27,000
Special grants from Imperial revenues	1,58,35,000	2,10,24,000	2.12,96,000
Other revenue	46,96,11,240	48,48 34,000	49,39,19,000
Total Revenue including transfers from Imperial revenues	48,54,46,240	50,58.58,000	51,52,15,000
Total Expenditure	44.94.86,707	47,20,16,000	51,66,45,000
Closing Balance	14,91,85,217	18,30,27,000	18,15,97,000
Total (in sterling)—	£	£	£
Balance on April 1st	7,548,379	9,945,600	12,201,800
Special grants from Imperial revenues	1,055,667	1,401,600	1,419,700
Other revenue	31,307,416	32,322,300	32 928,000
Total Revenue including transfers from Imperial revenues	32,363,083	33,723,900	34,347,700
Total Expenditure	29,965,781	31,467,700	34,448,000
Closing Balance	9,945,681	12,201,800	12,106,500

M. F. GAUNTLETT, *Offg. Comptroller General.*

M. M. S. GUBBAY, *Controller of Currency.*

H. F. HOWARD, *Secy. to the Govt. of India.*

DELHI,
FINANCE DEPARTMENT,
March 1, 1918.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1916-1917.					REVISED ESTIMATE, 1917-1918.		BUDGET ESTIMATE, 1918-1919.	
		EXPENDITURE.							
	Revenue.	Refunds and Assignments.	Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue — Land Revenue (excluding that due to Irrigation)	22,041,265	778,832	3,813,133	17,449,300		17,534,300		17,552,200	
Opium	3,160,005	3,584	912,394	2,244,027		1,949,700		1,933,900	
Salt	4,826,260	264,096	398,186	4,163,978		4,711,100		2,696,100	
Stamps	5,776,696	57,192	173,466	5,546,038		5,487,800		5,676,100	
Excise	9,215,899	109,818	478,632	8,627,449		9,440,000		9,738,000	
Provincial Rates	31,391	313	...	31,078		28,300		28,900	
Customs	8,659,182	265,799	271,164	8,122,219		10,541,000		10,132,800	
Income Tax	3,772,967	33,594	37,112	3,702,261		5,980,800		6,209,200	
Forest	2,470,795	8,676	1,251,765	1,210,354		1,288,900		1,161,800	
Registration	540,581	757	263,761	276,063		262,000		268,300	
Tributes	612,429	206,394	...	406,035		409,600		406,900	
TOTAL	61,107,470	1,729,055	7,599,613	51,778,802		57,633,500		55,804,200	
Total deduction from Revenue		9,328,668							
Expenditure Heads.									
Debt Services — Interest	1,136,504	1,174,864			38,360		5,552,200		4,231,700
Commercial Services — Posts and Telegraphs	4,174,607	3,441,387		733,220		893,100		851,400	
Railways	21,313,797	13,831,922		7,481,875		10,174,800		9,201,700	
Irrigation	5,155,624	3,549,912		1,605,712		1,445,200		1,391,700	
Other Public Works — Civil Works, etc.	309,373	4,618,535			4,309,162		4,791,600		5,640,700
Mint — Mint	689,866	167,411		522,455		350,900		206,000	
Civil Departments — Civil Departments	1,739,713	19,081,230			17,341,517		18,995,000		21,036,900
Miscellaneous Civil Services — Superannuation	219,865	3,475,700			3,255,835		3,298,500		3,357,200
Exchange	111,371	...		111,371		1,000,000			
Miscellaneous	420,260	671,050			250,790	291,900		269,200	
Other heads	96,034	1,267,522			1,171,488		1,288,300		1,261,500
Famine Relief and Insurance — Famine Relief	...	187,617			187,617		6,500		40,400
Other heads	...	812,383			812,383		993,500		959,600
Military Services — Army — Effective	993,194	21,221,694			20,228,500		23,550,000		23,635,600
Army — Non-effective	122,324	3,038,309			2,915,985		3,004,200		3,011,200
Marine	365,027	693,680			328,653		435,600		651,700
Military works	95,401	1,594,538			1,499,137		1,782,300		1,701,500
Special Defences (1902)	...	18,536			18,536		10,400		...
TOTAL	98,050,430	88,174,958		9,875,472		8,081,300		2,196,200	
Provincial Adjustment — Surplus		2,397,302			2,397,302		2,256 200		
Deficit		...						95,300	
TOTAL	98,050,430	90,572,260		7,478,170		5,825,100		2,291,500	
Surplus				7,478,170		5,825,100		2,291,500	
Capital Account — Railway, Irrigation and other Capital not charged to Revenue:—									
Capital raised through Companies towards outlay on State Railways						—500,000		- 250,000	
Capital contributed by Native States towards construction of State Railways				66,667		66,700		33,300	
Capital raised and deposited by Railway Companies (net)				555,431			772,300		2,242,400
Outlay on Irrigation Works					512,083		504,500		466,700
Outlay on State Railways					1,872,343		3,023,400		3,704,400
Initial outlay on new Capital at Delhi					244,297		250,700		266,700
India's financial Contribution to the War							100,000,000		
Outlay of Railway Companies (net)					770,593		521,700		631,600
Debt, Deposits, Advances, and Remittances — Permanent Debt (net)				4,433,691		68,943,800			877,300
Temporary Debt (net)					7,722,183	47,557,900			2,666,700
Unfunded Debt (net)				1,474,857		9,383,200		1,215,300	
Loans and Advances by Imperial Government (net)				2,451			3,100		59,500
Loans and Advances by Provincial Governments (net)				585,495		598,400		162,400	
Loans to Local Boards for Railway Construction (net)				8,020			2,000	8,700	
Deposits and Advances (net)					4,595,151		20,178,400	3,912,800	
Remittances (net)				1,651,160			3,795,800	2,000,000	
Secretary of State's Bills drawn				9,669,240		25,258,000			
Secretary of State's Bills paid					8,342,722		24,760,700		2,060,000
				25,925,182	24,059,377	157,133,100	153,812,600	9,374,000	12,975,300
Cash Balance — Opening Balance				24,819,404		26,685,209		30,005,709	
Closing Balance					26,685,209		30,005,709		26,404,409
TOTAL				50,744,586	50,744,586	183,818,309	183,818,309	39,379,709	39,379,709

M. F. GAUNTLETT,
Offg. Comptroller-General.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT,
March 1, 1918.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915.
(5 & 6 Geo. V, Ch. 61.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Friday, the 8th March, 1918.

PRESENT :

His Excellency BARON CHELMSFORD, P.C., G.M.S.I., G.M.I.E., G.C.M.G., Viceroy and Governor General, *presiding*, and 62 Members, of whom 55 were Additional Members.

THE FINANCIAL STATEMENT, 1918-19.

FIRST STAGE.

The Hon'ble Maung Bah Too :—" My Lord, I cannot pretend to be in any sense experienced in financial matters, and for me to criticise the details of a Budget prepared by such a great financier as our respected Finance Minister would be an impertinence. But I do desire to say a few words in regard to the financial needs of my own Province, and I hope the Council will listen to me patiently and forgive any deficiencies in my arguments. The matter I have to bring before the Council is one of the greatest importance, and I regret that it may suffer from my feeble exposition.

" My Lord, Burma although it is a part of the Indian Empire, is in many respects entirely different from the remainder of that Empire. It stands economically and financially much in the position of a company that has recently been floated, while the rest of India may be regarded as an old established undertaking. In India, you have roads and railways, while, in Burma, we have some railways, but hardly any roads. The reason is that in India the roads were built before the railways, while, in Burma, some railways were built, but the roads are still to be built. I think it is generally admitted that the condition of my Province in regard to communications of both kinds needs very great improvement if the best is to be got out of it.

" Again, my Lord, our resources in Burma of all kinds are naturally very great. We have great mineral wealth and great agricultural resources. Our country is fertile, and our revenue is increasing even under the present conditions to a considerable extent. But to get much more revenue it is essential that money in large quantities should be spent to develop the wealth which lies there dormant. I recognise that in a time like this of financial stress owing to the terrible war which is now being carried on, it is very difficult to find that money, nor do I press the Hon'ble the Finance Member to do so in his present Budget. What I do ask for, is recognition even in that Budget, however small it may be, that the conditions of Burma being special, a special financial policy in regard to Burma should form part of the general financial policy of the Government. Capital expenditure on Burma is not only necessary in the interests of the country, but will be an excellent investment from the point of view of the Indian exchequer. I know too little of finance to say how this may best be effected, whether it should be by a special loan or by special grants, or what is the most appropriate way of marking and carrying out this policy.

" Sir William Meyer in his speech indicated the possibility of greater powers in financial matters being given to the Provinces after the war. That

may help us, but we shall want greater and more definite assistance than other parts of India—assistance which we shall repay in every way.

"There are, however, three principal directions in which our development is possible, and which I venture to urge require special treatment from the policy which is adopted as regards the rest of India. They are, in the first place, the development of our means of communication, and in this connection I would commend to the favourable notice of Government the Report of the Roads and Communications Committee which was constituted by the Government of Burma In the second place, the encouragement of industry and agriculture, more particularly by the award of State scholarships in order that Burmans may have a chance of showing that they are not the lazy people they are so wrongly assumed to be. I say give us a chance so that my young countrymen may have an opportunity of taking their part in the development of their own country. Thirdly, we want funds for the scientific examination and exploitation of the very great mineral resources of Burma which may be of the greatest possible assistance to the whole of the Empire in the future.

"My Lord, we in Burma have two minerals which are of the highest importance, I believe, for military purposes. The first is wolfram, which is found in the Tavoy District, and the second is lead, which is found in the Shan States where we have one of the richest mines in the whole world. Again, there is the Pottery industry which is indigenous to the country, and which is to be found in every township of my Province. We have good clay, but we have neither the knowledge nor the plant necessary to make the best use of it.

"Our Forests are an unrivalled store-house of riches, and we might hope to supply even more of the timber of the world than we do, but here again we are handicapped by lack of facilities of communication.

"There are also other resources which need to be tapped. We have oil which can supply the needs of the Empire, and there is no reason to doubt that, with careful examination, other sources of mineral wealth will be discovered.

"I cannot refrain from saying that, after examining the Budgets for the last five years which were so carefully reviewed by the Hon'ble the Finance Member in his speech on the 1st of March, I regret I cannot find any trace of the special financial treatment of Burma which I wish to advocate not merely in the selfish interests of my Province, but because I am convinced that it will result in the development of one of the greatest assets in India and indeed of the British Empire."

The Hon'ble Sir Gangadhar Chitnavis:—"My Lord, in examining the Financial Statement before us, I must at once say that there will be no disposition among the general public to cavil at financial arrangements, the central object of which has been to render on behalf of India all possible help to His Majesty's Government in the vigorous prosecution of the war without weakening the internal administration and the financial credit of the country. It is only just that we should express our appreciation of the tact and judgment with which the Hon'ble Sir William Meyer has discharged his difficult task in these critical times. The Financial Statement shows how sound our position is. But what should be specially gratifying to the Indian public is that we all have the satisfaction of feeling that India has done her duty by the Empire in this great war. The Government of India and the Hon'ble Sir William Meyer have helped us to hold up our heads before the civilised world with the consciousness of having rendered to the Empire and the Allies no mean assistance in men and money.

"My Lord, the war is responsible for numerous changes all over the world, but not the least striking among them is the sudden elevation of India from the humble position of a debtor country to the proud one of a creditor country. In pre-war days we had to run to the London market for our small annual borrowings for capital expenditure; but during the past three-and-a-half years we have raised loans on an unprecedented scale within the country—a scale

which would have caused a strain even on the London market in normal times—not only for our current needs, but also for the purposes of a special gift of £100 million to His Majesty's Government. We have besides lent out of our Reserves £67 million to the Home Government, and propose to increase our investments by £16 million in the coming year. Thus our current expenditure and our share of the extraordinary expenditure and the heavy expenditure both in India and the different theatres of the war on behalf of His Majesty's Government is fully met. On an adjustment of accounts after the war, a heavy amount will be due to us from the Home Government. A novel experiment has likewise been made to finance the Federal Government of America on however humble a scale. This is a record of which any Indian may feel proud, but we owe it all to the Hon'ble Sir William Meyer whose approaching retirement we all regret. That these results have been attained without further and heavier taxation is to some extent due to the magnificent returns of the Department over which Sir Robert Gillan presides with such ability. But the patriotism of the people has been the dominating factor. It is a matter for satisfaction that peoples' ideas have been given a new direction, so potent for the good of the country. Their savings have been diverted into safe, sound and fructifying channels. The methods adopted for raising the loans have taught them lessons of economy. It is hoped that the constitutional changes will so popularise and strengthen the administration that it will command in a larger and ever-increasing measure the capital within the country for useful and remunerative employment and attract cheap capital for the industrial development of India.

"But while so much is said about the loans already floated, a word of caution appears to be necessary in regard to the proposed War Loan of 1918-19. It is clear Government will depend more largely upon War Bonds for necessary funds than upon long-term notes. These Bonds, suited as they are to the needs of the commercial and professional classes, will of course be taken up largely by them. It is a question, however, if the masses will go in for them year after year. Renewed efforts on the part of Provincial Governors and local committees are unnecessary for popularising War Bonds among the classes that need them, whereas they will not have the desired effect among the agriculturists of moderate means. The people have been approached frequently of late for contributions to these War Loans and special funds connected with the war, and they have cheerfully responded from patriotic motives. A repetition of the call, will neutralise the moral effect of the absence of taxation even in a year of stress and difficulty. The wise restraint in the matter of fresh taxation has created confidence among the people and leaves for Government a reserve of resources to be utilised in case of absolute necessity. Nothing should be done which will even remotely shake this public confidence or trench upon this reserve.

"My Lord, two other points connected with the Financial Statement should arrest our attention. Reference has been made to the transport of rails from India to Mesopotamia and other countries. There is no intention to criticise the policy of dismantling lines with its attendant problems in these war times, but a full statement on the subject with details would help a better appreciation among the public of the issues of compensation and replacement.

"The abnormal rise in prices alluded to in the Financial Statement is a matter of the gravest import to the people. The spirit of sacrifice is therefore, a certainty, but even in this matter, there is a point beyond which humanity cannot go. And it is the duty of the Administration to prevent all avoidable distress. That Government is alive to its responsibilities is proved beyond doubt by its action regulating the supply of salt. I have no doubt that similar action will be taken as regards other commodities as occasion arises. But both Government and the people will have a better grip of the problems connected with food supply, if the average annual income per head of population is periodically calculated and shown in the Financial Statement. Such a calculation would also simplify the problem of taxation, in so far as it would help to dispel many illusions. There is no question of additional taxation in the immediate future, it is true, but the uncertainties of the present situation may have many a surprise in store for us."

The Hon'ble Sir Fazulbhoy Currimbhoy :—"My Lord, the Financial Statement has been well received throughout the country and for the best of reasons. Indian Commerce at Bombay has welcomed it. The Hon'ble Sir William Meyer deserves all the praise that has been bestowed on him. He has not only carried us safely through an extraordinarily difficult position without putting any extra strain upon the resources of the people; but, taking advantage of the new conditions introduced by the war, he has revealed to the world the possibilities of the Indian market, and has tapped a new source of supply. The wise forbearance he observed in the first stages of the war in not taxing the people when they were more or less in a state of panic, and when there was a sudden dislocation of business, has been amply justified by the financial results of his subsequent policy. It is only through the conservation of resources then that he has been able to raise such large amounts of late both by taxation and borrowing. His loan operations will have their lessons for our future Finance Members. The prospect of freeing India, to a large extent at least, from financial dependence upon London for our Railways and Irrigation works has for the first time appeared realisable. Indians have maintained, for some time past, as the Proceedings of this Council will show, that the Indian money-market is capable of supplying to Government the funds necessary for our annual capital expenditure; but it was reserved for Sir William Meyer to act upon the suggestion, and to initiate the bold policy which is fraught with such immense possibilities for the future and is calculated to do such permanent good to the country.

"My Lord, the small investor has reason to be grateful to Government. He has never had his chance before; but he is now provided with the best alternative to hoarding. The economic results of the new policy are incalculable. The common people have now the greatest incentive to thrift, and Indian capital, which may be lying idle, has been given wider scope for remunerative employment.

"The extraordinary expansion of the note circulation, wisely limited by the two conditions of public readiness to accept the notes and the maintenance of a sufficient metallic backing, is another prominent feature of the excellent financial administration, which, to our deep regret, is drawing to a close. It indicates unmistakably how high the credit of Government stands. And more than that: The increase in circulation brings as a substantial gain to the extent that it relieves Government of undertaking indefinitely additional coinage. It is doubtful if the world prices of silver would recede to their former level for many years to come. Anything, therefore, which renders the necessity of fresh coinage less acute must be a gain to the country.

"Yet another departure in policy, for which the Hon'ble Sir William Meyer's administration of our public finances and Your Excellency's Government will be distinguished, is the employment of the Government balances through the Presidency Banks for financing trade. With normal development the policy is bound to do good to the commercial interests of the country.

"My Lord, the new Paper Currency Depreciation Fund will command universal approval. It is a wise policy that Your Excellency's Government has adopted in view of the heavy depreciation in the value of the investments.

"The Financial Statement shows a loss of £400,000 on account of stores lost in transit between England and India. Greater details on the subject would have been welcome. The public would like to know, for instance, if the loss was due to the stores being shipped uninsured or insufficiently insured, or to the higher prices paid in replacing the goods.

"My Lord, it is only just to the Council that the Hon'ble Finance Member should make a full statement with regard to the expenditure in Persia, Mesopotamia, and other foreign countries which falls to the share of India. Under the Rules Hon'ble Members are not free to elicit information on such points of vital importance to the people by interpellation, and Resolutions are out of the question. Yet when expenditure is incurred by this Government beyond the natural frontiers of India the public have a right to know how it is justified by the circumstances. Government undoubtedly has a satisfactory explanation to offer, and it is here suggested that any such explanation should

find a place in the Finance Member's speech dealing with the Financial Statement. Not that India grudges any war expenditure, but a clear appreciation of the position is necessary.

"Reference, again, has been made in the Financial Statement to the future adjustment of accounts between His Majesty's Government and this Government regarding Military expenditure undertaken by this Government outside India. But no idea can be formed of the principle on which this adjustment will be made. For instance, in regard to expenditure in a country like Mesopotamia, we do not know where we stand. A complete statement on the whole subject is certainly necessary, and this statement should be made while the annual financial arrangements are under review.

"My Lord, the latent possibilities of our Railways as an elastic source of revenue have been well disclosed in the current year, and the financial results have agreeably surprised us all, though discounted by the fact that a considerable portion of the income is due to the transport of troops and materials. But in this connection Sir William Meyer has rightly emphasised the urgent need of renewals, especially in view of the present exceptionally heavy traffic. And it is satisfactory that provision has been made in the next year's budget for improvements on open lines which must be regarded as ample, regard being had to the difficulties in the supply of materials. The whole problem must, however, be seriously tackled by Government immediately after the war. And it would appear *primâ facie* desirable to create a Renewal Reserve out of the present large profits. The railway income now helps to swell the annual surplus. Surpluses are, indeed, necessary as provisions against the contingencies of the present uncertain position, but a real surplus can only be had after expenditure, which is certain, is amply provided for.

"My Lord, the investment of £20 million in Home Treasury Bills entails an annual loss of £300,000 in interest charges. If, on the contrary, £20 million is paid to His Majesty's Government as a part of our special war contribution of £100 millions sterling, the loss can be avoided. Borrowing money here at 5 per cent., while we earn only 3½ per cent. upon our fresh investment, is surely not desirable. Besides, we can raise the requisite capital in India after the war. But if, in the light of the fuller knowledge Government possesses, it appears necessary to have £20 million in England as a sort of reserve, the proposed investment in Home Treasury Bills will not be objected to. India is ready to make the sacrifice . . . . "

The Hon'ble Sir William Meyer:—"May I ask if the Hon'ble Member supposes that we pay interest on the Home Treasury Bills?"

The Hon'ble Sir Fazulbhoy Currimbhoy:—"No, we get interest.

"Again, the attempt to maintain the sterling exchange at 1*s.* 5*d.* to the rupee, with the price of silver in the American market at one dollar for an ounce, may not succeed. The tendency of the market is distinctly upwards, but since the Hon'ble Finance Member hopes to keep down the rate, we must suspend our judgment at present.

"My Lord, the Hon'ble Sir William Meyer's conclusions about premium bonds will be fully endorsed by the Indian public. The incentive of prizes is not necessary for people swayed by feelings of patriotism unique in history. The response to the War Loan of this year has, indeed, been splendid, more from patriotic motives than anything else. The hope is justified that the cautious estimate of the Finance Member will be exceeded next year. The public sentiment is one of whole-hearted co-operation with the British Empire in the prosecution of the war; the people are determined to do all in their power to help in the success of the Allied cause. No sacrifice is too great for them. The circumstances are, indeed, favourable and another loan may be floated with some degree of assurance of success. The people of Bombay, numerically fewer though they are, compared to the populations of the larger Provinces, under the wise guidance of our popular Governor, will not, it is hoped, allow the lead in this matter of subscriptions to the loan to be taken by others, and the Presidency Banks will be ever

ready to co-operate cordially with Government in all possible ways. Were it not for our patriotism, the legislation announced by the Finance Member, placing restrictions on the issue of capital by companies, would have been severely criticised. We are aware that such restrictions have been already provided for in England and the Colonies. The operation of our Port Trusts and Municipal Corporations have likewise been restricted. But, notwithstanding all this, the facts connected with the formation of the recent joint-stock companies, which must be known to Government, demonstrate the undesirability of the proposed restrictions. The war has helped a number of men to make exceptionally large profits, and, on the Bombay side at least, it has been our object to see a good portion of this money employed for the industrial development of India, the clamant need for which cannot be disputed. The new companies have succeeded in attracting some of this capital which would otherwise have, in all probability, gone to force up the prices of existing stocks and real property. Capital has been subscribed even by the subjects of Feudatory States. This is beneficial to Government also. During the war no new factory or business can be started for want of men and materials, and the money called by the companies would find a natural outlet into sound temporary investments such as India Treasury Bills and War Bonds provide. Besides the amount of capital, which may be put into joint stock concerns, is inconsiderable, compared to the heavy borrowings of Government, and cannot, therefore, affect them. It is difficult to believe that in such circumstances this Government would proceed to place restrictions upon the issue of capital but for the fact that the other parts of the Empire have them. And we, on our part, submit to the restrictions out of regard for the sentiment of the British public. At the same time it is hoped that provision will be made in the Bill for the flotation of companies for the promotion of industries that are of national importance and also of what are known as small industries.

"My Lord, the present situation has brought into relief the necessity of developing salt manufacture in India, if only for its productiveness as a source of revenue. With a vast seaboard such as it has this country should be self-contained in this matter of salt supply. And it is pertinent to inquire what this Government propose to do to develope its manufacture. It would be wrong to throw the whole work on the Provincial Governments. Not only should the policy be laid down by this Government, but the efforts of the Provincial Governments should be seconded by them.

"My Lord, the Financial Statement exposes the groundlessness of the charge of apathy towards the war so lightly brought against Indians. The Hon'ble Sir William Meyer deserves the thanks of the community for such a clear and convincing exposition of the whole situation. The figures speak for themselves, and, however strict the scrutiny, it is undeniable that India has rendered to the Empire solid and substantial help at the present crisis."

The Hon'ble Mir Asad Ali, Khan Bahadur:—"My Lord, the remarkable Financial Statement for 1918-19 reveals an excellent revenue position, a revenue surplus, and a cautious war budget without the imposition of fresh taxation. I take this opportunity to congratulate most heartily the Hon'ble Finance Member on his presenting an eminently satisfactory budget once again. On the eve of laying down the reins of high office the Hon'ble Sir William Meyer may look back with pride and satisfaction upon his career in the Financial Department, and rejoice to find that his valuable service to India and the Empire at a most critical period of her history is fully recognised and appreciated by his non-official colleagues in the Imperial Legislative Council.

"The Financial Statement assumes for budget purposes that the war is likely to continue for yet another year. The end of the gigantic world-struggle does not yet seem to be within sight. How to win the war is the one mighty resolve of the whole Empire. India, too, my Lord, is determined to continue to render the Empire every loyal assistance in the successful prosecution of the war. At such a time any criticism of the war budget ought to recognise at once the urgent needs of the British Empire. Neither is it possible for me to criticise the budget without a fair knowledge of the present

military needs, nor is it advisable to press vigorously, as in normal times, the claims of India in matters of internal progress and reform. Nor is a week's time hardly sufficient to go through and digest a mass of statistics in the able memorandum prepared by the Financial Secretary.

"I should, however, like to place a few facts before the Council, as may suggest thoughts for future guidance. Until the year when war broke out education and sanitation, my Lord, continued to receive sufficient encouragement during your predecessor's *régime*. Since then war-conditions have naturally prevented your Excellency's Government from making large and substantial grants towards their expenditure. But it is to be regretted that even the grants since made to Local Governments could not fully be utilised. While the accumulation of non-recurring grants, made to education between 1911-12 and 1918-19, represents a fair sum of nearly £2½ millions, the unspent balance on the 1st of April 1919 is expected to be £854,000, or less than a third of the total expenditure of non-recurring grants. Further, the Financial Statement expresses that in view of war conditions they have to ask Local Governments to restrict drawings on their balances. Hence no appreciable progress could be made in education. Moreover, a special recurring grant of thirty lakhs, allotted in the budget, for the development of primary education, is too small to be of practical value over a large area. In view of the growing importance of primary education this grant needs to be doubled, so as to be of real benefit to the cause of primary education. The Financial Member, I daresay, will see his way to make a grant of at least £400,000 instead of £200,000, without materially altering any budget item. Though substantial amounts are not available for improving education efforts should be made to divert a good portion of the money spent on University or higher education to the more pressing needs of primary and secondary education. The need for trained teachers in Primary Schools is increasingly felt, especially in aided and unaided institutions. In Government Vernacular Primary Schools half the number of teachers are untrained men, and in Board and Municipal Schools far more than half the number are untrained men, while in aided and unaided Vernacular Primary Schools, the trained men form only about a seventh of the total number of teachers. The position is better in the Anglo-Vernacular Primary Schools under Government, Board, or Municipal management, where two-thirds of the teachers are trained men. But in aided and unaided Anglo-Vernacular Schools less than a fourth of the teachers are trained men. These figures clearly show that, if primary education is to make headway, more trained teachers are needed, and, consequently, more training schools in select centres. Whether in normal or abnormal times, adequate provision should be made to meet the growing needs of primary education. Also, I should like to suggest that a portion of the Imperial grants, both recurring and non-recurring, should be earmarked for Moslem education. Fairly satisfactory as the progress of Moslem education has been in recent years I believe there is need for an increased number of scholarships to Moslem youths who desire to pursue scientific or industrial education. For they have a better aptitude for such education than those of the sister community. Special Imperial grants, too, should be earmarked for scientific and commercial education. A sum of about Rs. 34,000 is all that Provincial revenues could find for promoting higher commercial education in 1916-17, and a sum of about Rs. 24,400 only for commercial schools.

"Nor can sanitation be neglected. Steeped as the masses have been for years past in ignorance and poverty, any amount expended on the improvement of rural sanitation so as to minimise the evils of preventible diseases is money well spent. Even there one finds that nearly half the total expenditure of the non-recurring grants is shown as the unspent balance expected to be available on the 1st of April 1919. I wish, my Lord, that Local Governments are permitted to spend more of these non-recurring grants so as to leave little unspent balance, except where it is absolutely necessary.

"Under the revenue heads the rapid growth of the excise revenue cannot be contemplated with equanimity. It has nearly doubled itself within the last fifteen years. Within the last four years, it has increased by about 17 per cent. Nearly half the total revenue is shared between Madras and

Bombay, the former alone contributing more than a fourth of the total revenue. While an increased revenue does not necessarily indicate a corresponding growth in the consumption of liquor, it represents, however, a large amount of money of the drinking classes, the vast bulk of whom are the poor masses of India. The money they now waste on liquor may profitably be spent in securing for them increased comfort and better living. The Government, my Lord, I respectfully submit, is not morally entitled to raise revenue from the cursed liquor traffic.

"Under the expenditure items, the military item, as is indispensable and inevitable, tops the list. While I do not feel competent to criticise that item, I feel bound to say that a considerable decrease in expenditure should be looked forward to when normal times return. Within the last five years the expenditure has increased by about 40 per cent. Next in importance to military expenditure comes police expenditure. The expenditure, too, has shown a very rapid rise from £3·81 millions in 1907-08 to over £5½ millions in 1917-18, and the budgeted figure for 1918-19 rises to £5·86 millions. Within the last ten years it has increased by about 74 per cent. A large increase, I daresay, must have occurred in the Criminal Investigation Department, whose expenditure alone has nearly trebled itself during the same period. If increased expenditure leads to efficiency I shall not grudge it. But I have reason to believe there is need for effective retrenchment in police expenditure.

"In view to the impending reforms, public expenditure is likely to grow. The question of retrenchment is even more important than that of reform. I should like to suggest the appointment of a mixed committee of officials and non-officials to scrutinise our public expenditure and suggest ways of economy. Again, the post-war trade problems have to engage our serious attention, as the future financial strength of India will have to depend upon her economic prosperity. Without feeling any necessity for imposing fresh taxation the Government should consider the revenues of the country have to be augmented by a well-thought-out plan of Indian industrial expansion. Let me hope, my Lord, that, as soon as the war is over, greater encouragement will be given to scientific and commercial education, and that your Excellency's *régime* will mark the beginning of a new industrial era in this country."

The Hon'ble the Raja of Kanika:—"My Lord, this is the fourth War Budget which has been presented to this Council, and I must take the earliest opportunity of congratulating the Hon'ble Sir William Meyer on the Financial Statement which he presented on Friday last. The bold and statesman-like manner in which he has managed our finances during a period of extreme difficulty ever since the war broke out must excite the admiration and gratitude of all—not only of those who are inside this Council, but also of the larger public who are outside it. My Lord, it was Sir William Meyer's misfortune that circumstances over which none had any control had so shaped themselves as to compel him to impose a number of additional taxes within the last few years. My Lord, so far as extra burdens were the inevitable result of the present war, there never had been any desire to find fault with Sir William Meyer. Rather, there was a good deal of sympathy for him in the difficult task, with which he was faced, of making the two ends meet. This is the last Financial Statement which Sir William Meyer will deal with in this Council, and I take this opportunity of expressing our wide appreciation of his work here as the Finance Member of the Government of India.

"The current year, my Lord, is expected to close with a surplus of about six million pounds and the budget for the coming year is expected to yield a surplus of about £2¼ millions. My Lord, Sir William Meyer has very wisely declined on the one hand to impose any fresh burdens this year by way of new taxation, and on the other he has also very prudently declined to remove any taxation which was imposed during the last few years. My Lord, nobody would like to quarrel with the Finance Minister in the extreme caution with which he frames his financial policies. 'Prudence' one of Sir William's distinguished predecessors remarked, 'is to a Finance Minister what modesty is to a woman.' Sir William Meyer, if I may venture to say so, is both prudent and modest. But, my Lord, while we must agree with Sir

William Meyer in the cautious and prudent policy which he now lays down, may I express a fervent hope that the whole scheme of war taxes imposed during the last few years will be liberally reconsidered as soon as the war ends? The extreme necessity of the situation, perhaps, justifies all that Sir William has done by way of imposing fresh taxation; but, though necessity justifies them, they are an onerous and a very heavy burden no doubt, and the one hope with which the country is bearing with them all at the present time, with prices of almost all commodities soaring and the purchasing power of money continually going down, is the hope of their temporary nature and of their ultimate removal after the war. Sir William Meyer's work, I thoroughly agree, has been very difficult. The task of a Finance Minister is the most thankless of all tasks. No Finance Minister ever was a popular hero. No public statue is ever voted to him. It seems that Burke's famous dictum 'It is as difficult to tax and to please as it is to love and be wise' will remain true for all ages to come. But in spite of it all, I again repeat my fervent hope and prayer that the Government will be pleased to reconsider the whole scheme of war taxation as soon as the present war ends, and that, with good surpluses in hand just now, no further increase of taxation—whether directly or indirectly—will be demanded.

"I also hope, my Lord, that the end of the war will see a renewed attempt to re-vitalise our schemes of education and sanitation. The war has necessarily restricted to a great extent any large expenditure on these lines, and as these are the things absolutely essential for a minimum of civilised life, I hope the Government will not fail to make increased allotments for these services as soon as conditions permit.

"The experimental issue of short-term Treasury Bills made necessary by the excessive drain on the resources of the Government of India due to the very heavy military charges which the Government of India are incurring on behalf of the Home Government has proved a very great success, and I beg to offer my congratulations to the Hon'ble the Finance Member for having taken, what practically amounts to a new departure in our Indian Finance system. I am sure this new issue, modelled on the British Treasury Bill system, will be found equally advantageous to both the Government and the public. It has afforded a great relief to the money-markets of India and as a war measure, it does indirectly, though in a very great way, help His Majesty's Government in the vigorous prosecution of the war. The absence of a three months' Treasury Bill at the beginning was felt to be a great handicap, as, to the business man who wanted a temporary short-term investment of his idle money, the long period bills failed to be attractive. Of course, I quite realise that the Government had very good reasons not to offer the three months' term when they issued the Treasury Bills in October last, because even in normal times a heavy financial liability maturing in the middle of the month of January was a thing quite difficult to handle. I am glad, however, to find from the Hon'ble the Finance Member's statement that from January last even the three months' bills are being issued. This, I am sure, is highly welcome in business and commercial circles, and, as this is only another way of helping to win the war, I have no doubt there will be a big response to it.

"My Lord, the issue of a big war loan in India on the premium bond principle has long been suggested in some influential quarters. Several Indian Chambers of Commerce also strongly recommended this plan of raising money. The main idea of the premium bond is of course to cater for the millions of small investors to whom a loan on the premium bond principle is bound to be specially attractive. Certain classes of people who are not regular investors are no doubt attracted by this means as they are by no others. Apart from the large number of thriftless people, who will not save even if they can, there are a large number—I should say, a very large number—of other people who do not care to save simply because the amount that they can save at any one time is much too small. They feel that their total savings are too small to be useful for any important necessity, and therefore they give up all ideas of saving as not being worth their while. To these classes, no doubt, a premium bond loan would appeal immensely, the chance of winning a prize would attract all classes and gild the ordinary invitation to subscribe to a war loan with a touch of romance.

"But, my Lord, in spite of all these advantages the premium bond principle has been severely condemned on high moral grounds. It is like running on an inclined plane and once it is adopted there will be no practical limit to the continual application of its principles in other cases; it will supply the artificial excitement of a gamble in place of duty, loyalty and patriotism, and thereby it will greatly undermine them all; it will give the great weight of Government influence to gambling; it will land the Government in the curious position of encouraging gambling on the one hand and repressing it on the other.

"It is a great relief, my Lord, that Sir William Meyer has rejected the principle of premium bonds, though, I am sorry to find, not on ethical but on financial considerations. I do trust and pray, my Lord, that if ever the Government of India reconsider the question of introducing the premium bond principle here, it will think carefully of all the sides of this important question before it takes a final decision.

"My Lord, when the Indian war loan was floated last year, many were the misgivings with which its progress was watched. Sir William Meyer and his expert advisers did not hope to get more than £10 millions or 15 crores of rupees. But the progress of the loan within a few days of its issue proved to the hilt how utterly futile all the misgivings were as to its ultimate success. My Lord, when the people of India undertook to make a total war contribution of £100 millions to His Majesty's Government to be used towards the prosecution of the war they knew what they were about, and they proved their mind and word by the subsequent success of the war loan. To get £36 million where only 10 millions were expected is a very great thing, and it speaks very highly of a poor country like India. The response to the war loan last year was universal—all classes of the community freely took part in its accumulating total. My Lord, the war loan was a part, it was only a part, of our great national effort to mobilise and marshal into line all the forces at our disposal for the supreme task of winning the war. The present war is India's war quite as much as it is England's war. We are in it, heart and soul, and the whole country from end to end is supremely thankful that India has been allowed to pull her weight and to take her legitimate part in this titanic war of civilisation against the forces of a savage and despotic militarism. My Lord, in this matter of the Indian War Loan, India and the Indians were on trial. It is a supreme satisfaction to all concerned to find how very creditably India has come out of it. The people of India, my Lord, realise what this greatest of the world's war is being fought for, and there is nothing, my Lord, that could excite their imagination and ignite their zeal more than the sight of this appalling sacrifice of the most precious human blood and this colossal expenditure of money—all for the sanctity of a 'scrap of paper'! The people of India, my Lord, have entered into this war with a mind incandescent with loyalty and melting with zeal, and they would, I am sure, see to it that so far as men and money are concerned, India will give all—all that she can possibly give. Sir William Meyer hopes to get £20 millions next year as the result of the war loan. I do sincerely hope and trust that the response to this year's war loan will be as gratifying as the response last year. I have not the least doubt, my Lord, that India will nobly respond to this fresh call of duty."

The Hon'ble Rai Bahadur Krishna Sahay:—"My Lord, may I be permitted to join in the congratulatious which have been offered to the Hon'ble the Finance Member on the budget he has presented to the Council this year. The task of a Finance Minister of India always is difficult, was never perhaps so full of dangerous pit-falls as has been the case in Sir William Meyer's term of office, and it is no ordinary achievement even for a man of his ability to have come triumphant out of it. Every weapon that he designed during the last few years to combat the difficulties in his way have fallen with soft hands on the people—and the fact that there is no provision for fresh taxation in his final budget will be received with unmixed satisfaction throughout India. They all bear the imprint of his remarkable skill, his resourcefulness and a broad-minded sympathy with the people of this country

which will ever be remembered by them with a sense of gratitude. He lays down the reins of his great office to the regret of us all.

"The decision of your Excellency's Government to float the war loan again this year is most welcome as it will give us a further opportunity of redeeming in cash as far as possible the debt of honour for which we have made ourselves responsible. We, the people of India, are thankful, my Lord, that we have been permitted to shoulder to some extent the burden of the almost Herculean task of 'making the world safe for democracy' and of saving human liberty and human civilisation from the wounds of a savage and despotic militarism. The war loan last year was our supreme test, and it is a matter of unfeigned satisfaction that by her ready response India has proved her fitness to be a real partner in the Empire. May this comradeship in arms grow into a real Imperial and inter-Imperial partnership, will be the devout prayer of every sincere well-wisher of the Empire!

"I have absolutely no doubt, my Lord, that the estimate of £20 millions which Sir William Meyer expects as the results of the war loan in the ensuing year will be easily reached. The people of India are suffering with all other countries of the world by the long continuance of this present terrible struggle, and they realise only too well that a big and successful war loan will, in the words of Mr. Lloyd George, 'shorten the war, it will help to save life, it will help to save the British Empire, it will save Europe and it will save civilisation.' What a glorious opportunity for us to have a share in the noblest of tasks which man ever set before himself to achieve in this world, what a fine opportunity to have a hand and a share in the making of the world's history! I believe, with all my heart, my Lord, I do believe, that India's response to this fresh call in the name of liberty, humanity and justice, will be as noble and as magnificent in the coming year as it has been in the past.

"But, my Lord, in this connection may I be permitted to utter a word of caution? I pray that the war loan in rural areas this year may be pushed on very cautiously so that poor people—who, it is just possible, have invested their all in the war loan last year—may not find any pressure brought to bear upon them to subscribe again in sums much beyond their means. Cases of such undue pressure have unfortunately actually occurred in some places last year, else I would not have referred to it at all. I fervently hope that the work of pushing on the war loan will be entrusted to careful and judicious persons so that people might voluntarily subscribe the utmost that they want to. The moral value of such free and voluntary contributions is much greater than in any other case. If the Government will fully explain the situation to the people and trust them, the people in their turn will trust the Government freely with their money.

"My Lord, the Railways of India have broken all records and have given the Government of India an unexpected windfall. The net profit on Railways in 1917-18 is expected to be £10·1 millions as against £5·6 millions in the budget estimate. Such a large increase of revenue is always welcome, and no one is more glad to get them than the Finance Member himself. That the Railways will treat the Finance Minister so nobly in spite of the restrictions referred to by Sir William Meyer is indeed a matter of great satisfaction, but it does seem to me that the estimates of revenue for the current year under the Railways had been framed rather too cautiously. Be that as it may, may I draw your Lordship's attention to one serious public inconvenience in connection with our railway services? Railway facilities, my Lord, have been seriously curtailed throughout India recently, on account of the unusual conditions prevailing at the present time. The supreme necessity of moving military supplies and other goods vital to the successful prosecution of the war, the grave difficulty with regard to the supplies of good coal, the continued deterioration of the permanent-way and the rolling stock, including in some cases the actual dismantling of certain railway lines to provide for railway materials for Mesopotamia—all these, my Lord, have combined to create an almost unparalleled situation with regard to our railway facilities and have resulted in a very serious restriction of railway services throughout India. I have no desire, my Lord, to manufacture grievances, but I feel it my duty to represent

to your Excellency's Government the very great hardships felt throughout the country by the serious curtailment of railway facilities. I know we are living in abnormal times, and therefore we have no choice but to put up with abnormal conditions. But, in spite of it all, I do hope that at the earliest possible opportunity the Government will kindly reconsider the question of provision of increased railway facilities in the country. I do not suggest that the pre-war facilities ought to be immediately re-established, because nobody is foolish enough to imagine even for a moment that that is possible. What I do suggest is, that, considering what a fine asset the Railways have proved themselves to be, the Railway Board might just reconsider the question of providing, at the earliest possible opportunity, improved railway facilities—however slight they might be, because I am convinced that any relief, however slight, would be highly welcome in the present state of railway traffic in the country.

"There is another matter, my Lord, on which I beg to thank your Excellency's Government—I refer to the recently-issued Royal Proclamation which constitutes a branch of the Royal Mint at Bombay for the purpose of the local minting of sovereigns. We have been asking for this privilege, my Lord, for a long time, and we have got it at last. The measure now taken only completes the steps recommended by the Indian Currency Committee of 1898. In paragraph 54 of their Report the Committee reported that they were 'in favour of making the British sovereign a legal tender and a current coin in India. 'We also consider,' they remarked, 'that, at the same time, the Indian Mints should be thrown open to the unrestricted coinage of gold on terms and conditions such as govern the three Australian branches of the Royal Mint. The result will be that under identical conditions the sovereign would be coined and would circulate both in England and in India.'

"My Lord, the first part of the Committee's recommendations, namely, that the British sovereign should be made a legal tender was carried out almost immediately in 1899, but the latter part took a very long time to be accomplished. By 1900, it almost seemed as if matters had progressed favourably when Sir Clinton Dawkins actually announced that it had been decided to constitute a branch of the Mint at Bombay for this purpose; but these proposals were never carried out, a number of technical and other difficulties were raised by the Royal Mint, and the project was dropped in 1902. The whole question was, however, revived in 1911, and since then the Government of India have again fought for this privilege being granted to India. The country, my Lord, is deeply thankful to the Government in having finally succeeded in securing for India this valued privilege.

"With reference to the figures given in Tables XVI and XVII of the Financial Statement I cannot help expressing my regret for the increase of expenditure in my Province of Bihar and Orissa under the heads of 'Police' and 'Law and Justice' due to the unfortunate riots in the district of Shahabad.

"But I hope, my Lord, that it is only a passing phase of the Provincial budget and no undue importance need be attached to the occurrences themselves which have necessitated it. The people of the disturbed area have by this time realised that the arm of law is long enough—and strong enough—to reach any offender even in remote and obscure villages, and it is disastrous to court the advent of military camp, additional police force or special tribunals. I also venture to think that your Excellency's appeal to the leaders of the communities of Hindus and Mussalmans and to the communities themselves has not and will not go in vain, and permit me to assure your Excellency that genuine efforts are being made by both to prevent a recurrence of such deplorable incidents."

The Hon'ble Rai Bahadur Bishan Dutt Shukul:—"My Lord, I join hands with my colleagues in congratulating the Hon'ble Member, Sir William Meyer, on the remarkable lucidity which characterizes the Financial Statement which he has placed in our hands this year, and which has already been accorded a warm reception by the whole country.

"My Lord, when we met here in this Council Chamber last year about this time, we prayed that the outlook already so sad and dismal then should soon disappear and an era of universal peace and order dawn upon us, but that was not to be. The war still continues with its unabated fury, and the end is not yet in sight. The war is writ large in every page of the Finance Member's speech. Under these circumstances, we cannot but admire him for the tact and fore-thought with which he has not only been able to make both ends meet, but has maintained the financial stability of the Government intact, without imposing any additional taxation upon the people of the country during the next year. This is indeed a most happy feature of the present budget.

"My Lord, the revised estimate for the current year shows a surplus of £5,825,100. Such a large surplus coming as it does in the train of a series of similar surpluses during the immediately preceding years especially at this juncture, when the whole country is passing through an unprecedented crisis, would lead one to pause and think as to how far such a large surplus is really a matter to be congratulated upon. Our Hon'ble friend the Finance Member refers to caution in the opening part of his speech, as a matter for congratulation. I quite agree with him. Caution is no doubt an element of statesmanship, especially during these war times, but excess of it is not a very wholesome feature, and one need not be disappointed, if, at times, it fails to receive an enthusiastic response. It is with reference to these surpluses that the Finance Commission observed in their report that 'in preparing their estimate of revenue, the Government of India erred on the side of caution'. The principle of maintaining a fair equilibrium between the estimated revenue and expenditure of the State, providing at the same time for a moderate and reasonable surplus, is indeed a sound financial policy, but to evolve large, continuous and progressive surpluses, year after year, is a policy which, I submit, is hardly defensible. For after all, what do these large surpluses indicate? They are apt to indicate nothing else than an attempt, a deliberate attempt on the part of the Government, to squeeze more money out of the pockets of the people than what is fairly needed for the requirements of the State. In normal times this would have been the most objectionable feature of the budget, and an immediate demand for the remission of taxation would have been raised by the whole country, but in view of the present embarrassed position of the Government due to war, I refrain from making any such demand, although the necessity for the reduction of certain taxes, such as the salt tax and the increased Railway rates, is being most strongly felt.

"My Lord, though the remission of taxation is out of question at present, yet the Government, in my humble opinion, are bound to return a substantial portion of the surpluses to the people, by applying it to purposes which will immediately tend to ameliorate their material and moral conditions. Since, who are the principal contributors to these large surpluses? They are no other than the cultivators of the soil. The Hon'ble Finance Member has attributed the large surpluses to the excellent agricultural prospects of the present year. Surely, it is upon the agricultural prosperity of the country that the stability of the financial position of the Government of India mainly depends. One year's bad harvest shakes the very foundation of the whole financial edifice, and are not then the cultivators, the teeming millions, toiling at the well and at the plough, the real custodians of the agricultural prosperity of the land, entitled to receive their just share of the surplus to which they have so largely contributed? I wish the rosy figures as indicated in the budget should have really represented a prosperous India. I wish there should have been a real correspondence between the conditions of the finances of the State and the condition of the people, but, my Lord, unfortunately it is not so, while, on the one hand, we have to congratulate the Government on their 'excellent revenue position' and fat surpluses, on the other hand, we feel the painful necessity of drawing the attention of the Government to the actual condition of the people which is far from being satisfactory. My Lord, the question which demands the most serious attention of the Government at this moment, is the gradual deterioration that is taking place in the economic condition of the agriculturists, and I think I shall be lacking in my duty if I do not

urge upon the attention of the Government the necessity of providing larger funds for the purpose of agriculture, education, medical relief and sanitation, etc.

" My Lord, agricultural industry is the mainstay of the Indian nation, of 80 per cent. of the population of the whole country, yet no other industry is in a worst plight. While in the countries of the West the farmers have begun to grow wheat yielding 30 to 45 bushels per acre, the poor tenantry of India can never expect a better yield than 10 to 12 bushels per acre and this in spite of the agricultural department having been established here all these 30 years or more. My Hon'ble friend the Finance Member congratulates the Government upon the increase of ·3 per cent. in the cultivated area of the year. My Lord, this increase is insignificant and any felicitations expressed on this account are bound to be coupled with expressions of regret that the alleged expansion of area under cultivation is hardly keeping pace with the corresponding increase in population. The inadequacy of food-supply to meet the growing demand in India, both external and internal, is being seriously reflected in the inflated prices of the necessities of life, which have been pushed up to the high standard of famine rates in several parts of the country and are causing acute hardship and distress to the people. Unless immediate steps are taken to copiously increase the productivity of the soil, the farmers of India will not be able to stand competition in the markets of the world, and the sufferings of the people will know no end. In view of these remarks, it will be observed that the allotment under the head of agriculture is wholly inadequate. More money should be placed at the disposal of the agricultural department to enable it to provide for more agricultural schools, more trained men, more machines and more cattle-breeding and demonstration farms, with a view to accelerate the pace of progress in the matter of agricultural improvements.

" My Lord, I have to make a few more observations on two items of expenditure in which I am particularly interested, and they are no other than those of education and sanitation which are the prime needs of the country. In the matter of education I have to thank the Government for their putting aside a sum of Rs. 30 lakhs for the development of primary education. Although this may not be quite up to the expectations of the people, yet it furnishes a striking testimony to the high regard in which the Government holds the cause of primary education in this country. While congratulating the Government upon this, I cannot help confessing to a feeling of disappointment that overtook me when I did not find any provision in the budget under this head for the establishment of the Nagpur University in the Central Provinces. My Lord, the whole Province feels keenly about this, and the Council may take it from me that this omission will be very much resented. I therefore beseech the Government and especially request the Finance and Education Members to see their way to provide some money at least by reducing the surplus, and curtailing expenditure under the head of Civil Works, to enable the Local Government to make at least a beginning towards the establishment of the Nagpur University.

" As for sanitation, I have personal grievance. I notice in page 69 of the memorandum under head Sanitation an allotment of Rs. 6,31,000 only for the Central Provinces. This is less than the sum shown in the revised estimate by Rs. 1 lakh. The reason for this decrease has nowhere been given, and an explanation is due from my Hon'ble friend the Finance Member for the same. The Central Provinces are still far behind the other sister Provinces in the matter of sanitary improvements. The rate of mortality still continues to be high. It was only last year that the infant mortality reached the record figure of 265 per 1,000 births which was the highest in the whole of India, if I am not mistaken. Besides, the condition of rural sanitation ' is most disappointing '. Village houses are still ill-ventilated. The village sites are dirty, crowded with cattle, choked with rank vegetable and poisoned with stagnant pools. It may not be out of place here to give public expression to the general feeling of disappointment prevailing in the rural areas that all that is talked of and all that is done for sanitary reforms, the least attention is paid to village sanitation. While 1-14th only of the population of British India resides in the Municipal areas, yet more money is spent on urban areas than rurals, and this is a matter which

I wish the attention of your Lordship especially drawn to, and I hope that a more lively interest will henceforth be taken in the improvement of the village sanitation and so far as the Central Provinces are concerned, the provisions instead of being curtailed would rather be increased.

"My Lord, I quite realize the difficulties of the present situation, and if I have been encouraged to demand more money, it is because of the tantalizing surpluses accruing year after year. Moreover I strongly feel that, as far as possible, the progress of the internal reforms in the country should not be stayed. In my humble opinion the Government should have a definite determined policy with regard to financing education, sanitation and agriculture. It is high time that the Government should lay down a distinct financial policy which would assure, or at any rate convince, the people at large that the desired goal, aimed at by these departments, will be reached within a definite period of time. As the whole question relating to reforms is under consideration of the Government of India and the Secretary of State, as indicated by the Hon'ble Finance Member in paragraph 95 of his speech, it is expected that this aspect of the question will not be overlooked, and we all hope and believe that the time is not distant when your Excellency will earn the further gratitude of the people by ensuring fiscal independence to India, accompanied by provincial autonomy and a substantial measure of responsible government, so essential to her industrial, social, economical and political development and without which she can never expect to secure her proper place in the civilized world.

"Just a parting word to my Hon'ble friend the Finance Member who is on the eve of retirement and I have done. We are all thankful to him for the paternal care and solicitude with which he has managed the financial affairs of the State during these most anxious war times, and we deeply regret that at this juncture we are to lose in him not only an able financier, but a sympathetic heart so loyal to India. He carries with him the good wishes of the whole country, and we hope that in the midst of his new surroundings he will not forget India, but will continue to exert his beneficial influence in the cause of her interests to which he has been so ardently devoted."

The Hon'ble Mr. Malcolm Hogg:—"The Financial Statement which was presented by the Hon'ble the Finance Member last week affords neither provocation nor excuse for a lengthy speech and in saying that I feel that I am paying it a very high compliment. With regard to the Revenue and Expenditure side the position is extremely satisfactory, and it only remains for me to tender my hearty congratulations to the Hon'ble Member on being able to present a statement, which must be very gratifying to the country in general. But as the Hon'ble Member has said it is the ways and means problem which has been and is the cause of most of his anxieties, and I should like to make a few remarks on certain points which arise in connection with that problem. In the course of his speech the Hon'ble Member stated that it had been his consistent policy to promote co-operation between Government and the Presidency Banks and made a warm acknowledgment of the response with which his efforts had met from those institutions. As I have this year the honour to be President of the Bank of Bombay it would, I think, be ungracious if I did not thank Sir William Meyer on behalf of that bank for the terms in which he has referred to the assistance which the Bank has been able to give. In doing so, I do not wish it to be thought that I am appropriating to myself and my colleagues on the board the credit, which was intended, and rightly intended, for our Secretary and Treasurer, Mr. Aitken. That is far from my intention. I merely regard myself as the mouth-piece of Mr. Aitken and of my co-directors, and feel that it would be their wish not only that I should acknowledge the Hon'ble Member's remarks, but that I should state definitely that it is our wish at all times to afford the maximum possible assistance to Government and more particularly in the difficult times through which we are at present passing.

"About the desirability of close co-operation between Government and the Presidency Banks, I do not think there can be two opinions, but there may on particular occasions be two opinions as to the best method of co-operation.

The Presidency Banks have certain definite and important functions to perform in financing the commerce and industry of India, and when considering how best to assist Government, they have to be careful that the assistance is not given in such a way as will or may subsequently hinder them from adequately performing their primary functions. For to ignore this aspect of the question would be a very short sighted policy and would entail consequences as detrimental to the interests of Government as to those of the commercial and financial communities. If then there have at any time been or should be in the future differences of opinion between the Hon'ble Member and the Bank of Bombay, I am sure that he recognises that such differences of opinion are not due to any diversity in the object aimed at, but to an honest difference of opinion as to the best way of achieving that object.

"While I am speaking of co-operation I may perhaps refer briefly to another passage in the Hon'ble Member's speech where in paragraph 53 he referred to the possibility that Government might have to call to a still larger extent for the co-operation of merchants and others who have homeward remittances to make with the view of applying those remittances more largely than in the past to the financing of exports of essential national importance. Now, I feel sure that if the necessity for such a call arises, Government will receive a ready response from those to whom it will be addressed. But I would just like to say this. Government restrictions on and interference with the ordinary channels of trade are not in themselves desirable, and are only acceptable in so far as they are necessitated under war conditions by paramount national interests. I hope, therefore, that before making any such further call Government will thoroughly investigate this rather complicated question and, if possible, take into their confidence those who will be affected by it in order that there may be no doubt of its necessity. For it does seem to me that the present complete control, which is exercised by Government over the utilisation of freight space, already effects the object which Government have in view, or if it does not already effect it can very easily be made to do so. As far as I am aware very little except exports of national importance are being or can be shipped at present, and if that is so it is difficult to see how those who have homeward remittances to make can use them for any other purpose except the financing of such exports.

"The next subject on which I wish to make a few remarks is the proposed War Loan of 1918-19. Compared with the results of the last War Loan the Hon'ble Member may appear to have taken a rather conservative figure in estimating the minimum proceeds of the forthcoming Loan at £20 millions, but while I cordially join with him in hoping that this minimum figure will be largely surpassed, I think that he has good reasons for his caution. As he as said the very magnitude of last year's effort is in itself a reason, and then there is the fact that the present very high prices of cotton and other raw materials will make it more difficult for industrial concerns, in spite of the large profits which many of them have made, to release their funds for lending to Government. Any steps therefore which Government can take towards reducing these high prices, and I am glad to see that the matter is receiving careful consideration in my own Province, will tend to pave the way for the success of the loan. Government are aware that a good deal of inconvenience has been felt by investors in the last War Loan owing to the delay in the issue of scrip and other cognate matters, and I welcome the Hon'ble Member's assurance that steps have been taken to prevent any such complaint in respect of the coming loan by simplifying and decentralizing arrangements. May I suggest to the Hon'ble Member that the greatest possible emphasis should be laid upon and publicity given to this fact when the new loan is floated? Dissatisfaction with the previous arrangements undoubtedly exists in many quarters, and it is essential that, that feeling should be removed if the new Loan is to have the best possible chance. This can only be done by widespread advertisement couched in the simplest and plainest language of the new arrangements which have been made. One other point I should like to emphasise, although I have no doubt that Government are fully alive to it, is this. The success of last year's loan was very largely due to the vigorous publicity campaign initiated by the heads of Local Governments and carried on by unofficial War

Loan Committees. A similar campaign and one no less vigorous is essential this year also if last year's success is to be repeated. The Hon'ble Member has foreshadowed the placing of restrictions upon the withdrawal of capital from the money-market by companies in order to prevent competition with the Government loan, and I see that he is shortly to introduce a Bill for this purpose. With the object of this proposed legislation I certainly have no quarrel, nor do I suppose that it will evoke opposition from any quarter, but I wish to place one or two considerations of a practical nature before Government with regard to the method to be adopted. Mere prohibition of the floating of companies might, I think, fail of its object, for it is certain that much of the money thus prevented from being invested in new companies would not find its ways to Government, but would be diverted to speculation in house property, in shares of existing companies, and in other directions where it would be lost to Government. I would suggest, therefore, that in many cases a form of conditional floatation might be more efficacious than mere prohibition. What I mean is this. Under present conditions there is likely to be considerable delay in the full utilisation of their capital funds by many new companies, and such companies are likely to have large funds at their disposal for temporary investment for varying but considerable periods. I am inclined to think that Government might get more money by allowing companies, which are likely to prove attractive to the investing public, to raise funds on condition of lending a certain proportion of the funds so raised to Government for certain periods than by excluding them altogether from the money-market. The exact conditions as to the proportion of capital to be lent and the period for which it is to be lent would have to be settled to suit the circumstances of each individual case. Of course, it may be objected that a company, which did not expect to be able to utilise its whole capital for some time, would ordinarily call up only a small portion of that capital at the outset. That is true enough, but I think that such a company, rather than be excluded altogether from the money-market, would prefer to call up rather more capital than it immediately needed and lend the surplus for a time to Government, as it would after all be earning a very fair rate of interest on that surplus. I hope, therefore, that the Bill to be introduced will provide for conditional flotation on the lines I have suggested, as well as for prohibition in case of need. I hope that the Hon'ble Member will not suspect me of having any axe to grind in this matter. I assure him I have none, and that my only object in urging this suggestion on the attention of Government is the furtherance of the object which they themselves have in view, namely, the success of the War Loan.

"I cannot refrain from some reference to the question of premium or bonus bonds. I have always been and am still of the opinion that this is an expedient which is well worth a trial. I have never supposed that these bonds would be a suitable form of investment for banks or other large investors, obviously they would not, nor have I thought that they would immediately produce many crores of rupees to Government, and so provide a panacea for all their difficulties. But I do believe that an issue of bonds bearing interest at, say, 2 per cent. less than the ordinary war bonds and having that 2 per cent. distributed in prizes by half-yearly or quarterly drawings, would, if properly advertised, gradually attract a number of investors, who would otherwise not invest in Government securities, and would after a few years and after the distribution of several prize-drawings attain a very wide measure of popularity. In view of the fact that Government for years to come will have to depend for their requirements on the Indian money-market in a far greater degree than before, it has seemed to me that any form of security likely to attract a new class of investors to Government issues was well worth a trial, and to that opinion I still hold. I must, however, admit that there is a considerable body of commercial and financial opinion which is opposed to this experiment, and I recognise that it is an experiment upon which Government can scarcely be expected to embark unless supported by a strong preponderance of such opinion. I can therefore at present only regret the present division of opinion on the subject.

"The future position of the Railways in India is a subject which I do not think anyone can view without a great deal of anxiety. They are being and

have been for the last three years worked to their utmost capacity, while repairs to existing rolling stock and provision of new rolling stock are of necessity reduced to a minimum. There will, as the Hon'ble Member has said, be a great deal of leeway to be made up after the war, and I therefore welcome the reserve fund of £20 millions which has been set aside against this and other future liabilities, and I hope that it may be possible to increase this reserve fund. I also welcome the announcement which I recently saw in the Press of the measures which Government are taking to promote the manufacture of railway wagons in this country, and I hope that these measures will meet with a large degree of success.

"There is just one other point I should like to refer to. The rise which has taken place in the rate of exchange involves a considerable potential depreciation in the value of the Government of India's investments of the paper currency reserve in Home securities. It would be interesting to know whether the Hon'ble Member considers it necessary to make provision against this depreciation or regards it as too temporary to require provision.

"Before I sit down, my Lord, I desire, as this is the last Financial Statement which Sir William Meyer will present to this Council, to congratulate him upon the successful manner in which he has steered the craft of India's finances through the troubled waters of the last few years. It may not fall to his lot to complete the voyage into the harbour of peace, but at least he hands over to his successor the rudder of a vessel which has so far successfully weathered all storms and which is in good fettle to meet the further buffets which may be in store for her. With that he may well rest content and for that India undoubtedly owes him a great debt."

The Hon'ble Mr. K. K. Chanda:—"My Lord, the budget has come as an agreeable surprise to the over-burdened tax-payer who finds that there is no new taxation, and I hasten to join the Council in offering my sincerest congratulations to the Hon'ble the Finance Member on his being able to bring out a prosperity budget under adverse circumstances.

"Looking at the surplus which he has been able to budget for one cannot help regretting that an over-cautious spirit, if I may say so, should have influenced the judgment of the Finance Member in 1915-16 in adding to the poor man's burden in the shape of an increase to the duty on salt—small as it was. But for this his budgets could, on the whole, be described as the poor man's budgets.

"Judging by an experience of the past two years one cannot say that the fears of those who demurred to the proposal to enhance the salt duties were groundless. There was no need to have enhanced the tax to inflate the surplus, and no justification has up to now been disclosed. It was a fallacy to think that the addition was negligible being about a pie per seer. In theory it is so, but in experience otherwise, and it is a well-known fact that consumption of salt always varies conversely to any alteration in the tax. In this view, and in view of the surpluses, the poor man has certainly a right to demand the removal of this extra tax on salt which, being a necessary of life, should in the words of Professor Fawcett be as 'free as the air we breathe and the water we drink.' Perhaps, taking everything into consideration, it may not be very sound to take off this additional tax at this moment. But there can be no question that sanitation, education and medical relief have a special and even an indefeasible claim to a considerable portion of this surplus at any rate. A reference to paragraph 94 of the Hon'ble Finance Member's speech reveals the fact that the surplus is made up in a large part of the savings from special grants for education, sanitation, medical relief, and agriculture which amount to £883,000. How were these savings effected? It is obvious that you cannot spend too much on these objects—their demands are imperative and unlimited unlike other matters. Why are there these savings? It cannot be claimed that the grants erred on the side of lavishness. It is simply due to the fact that the Government of India restrained the Local Governments from using up these special grants. We regret this decision of the Government, and cannot make out why a project like the Delhi scheme,

for instance, was allowed to be worked up to the full, while grants for education, sanitation, and medical relief were practically partially withheld I submit, therefore, that even if no fresh special grant can be made for these objects beyond what is provided for in the budget, Local Governments should be permitted to spend these artificial surpluses to prevent their surplus being spent for the objects for which the grants were made will practically be giving with one hand and taking away with the other.

" It is difficult to name one object more urgent than sanitation, education, and medical relief. The ravages of plague, of malaria, and other diseases are frightful and well known indeed, and may almost stand comparison with the decimation caused by the world-war, and one need not apologise for urging their claims even in a war budget when we find that the provision made for sanitation is only about 2 annas of what is allowed for the police charges. We are grateful for small mercies, for the sum of rupees thirty lakhs provided for primary education. Something is better than nothing, but it must be apparent that it is a mere drop in the ocean. If a similar grant were made yearly during the last ten years or so, during which the Indian Members, headed by the late Mr. Gokhale, started the campaign for free elementary education, something substantial by now would have resulted. But the sins in the past of omission—in fact more than omission—of actual refusal to admit the claim of primary education—can hardly be wiped away by a dole of thirty lakhs granted in 1918. Infinitely more will have to be done, and we trust that the relative importance of police and education will be recognized in the framing of future budgets.

" My Lord, the Finance Member estimates the gain we shall have made during the current year at £1 million net by exchange, but he would not take credit for it as it would be gambling, and has no desire to see it maintained : not only this he says in paragraph 52 'if exchange had been left to find its own level under the normal laws of supply and demand, the rupee would long ago have reached a far higher level than it has actually.'

I confess to a feeling akin almost to bewilderment at this. One can appreciate the anxiety of the Hon'ble Member not to do anything to disturb the money-market by attempting to raise the exchange value of the rupee : but why should we not only not desire that the rupee should attain a higher exchange value but prevent its doing so. Why should we get alarmed at the prospect if, due to natural laws, its value is enhanced ? Is it not a consummation to be desired from the standpoint of Indian Finance that the rupee should have a higher value in the gold-using countries ? The Hon'ble Member says that if natural laws had full and unrestricted play the rupee would automatically go much higher up resulting in a considerable gain—much greater than £1 million—to India. Where is the magic in 16*d.* which is the statutory exchange value of the rupee ? Does not the Government itself ignore it when furlough allowances of English officials are calculated at 18 pence to the rupee ? The history of how the rupee came to be fixed at 16*d.* is well known ? Is it not due to the merest chance that it came to be so fixed ? Supposing the rupee was able to retrace its step up grade from 13*d.* to which it had sunk to something more than 16*d.* by the time the Government issued the notification in 1893 when the mints were closed to coining of rupees offering to give rupees at the Calcutta or Bombay mints or to issue notes at the paper currency offices against gold tendered to them at a rate of exchange of 15 rupees for £1 sterling or supposing the exchange value of the rupee touched a point higher than 1*s.* 4*d.* in 1899 when Act XXII of that year was passed making the sovereign and half-sovereign legal tender at R15 to the £ can it be doubted that the rupee may have had an upward march ? So long as the offer of the Government of India to give rupees in exchange for gold at 1*s.* 4*d.* per rupee remained in force, and the Government were prepared to maintain a supply of rupees sufficient for this purpose, there was obviously no possibility of exchange rising above 1*s.* 4*d.* by more than the cost of shipping gold to India. Now that natural causes are tending to push up the rupee upwards towards—let us hope—the two shilling position, it once occupied, why should we get nervous or do anything to obstruct its easy passage ? What will not be the gain to India—in meeting the Home charges alone or say the contribution of

one hundred million pounds which we have made to the British treasury when the rupee has a higher value? My humble and earnest submission would be to respectfully invite a reconsideration of the matter.

"My Lord, the Hon'ble Finance Member has spoken of railway lines being pulled up to provide railway materials for Mesopotamia. A layman like myself would be grateful for further elucidation of the subject. What is the total length and value of the lines dismantled, the value thereof to India, that is, the cost that will have to be incurred in replacing them; whether any repairs or reconstruction of the permanent-way will be needed, if so, what the cost thereof would be; whether any rolling stock has been taken away or rendered idle by reason of sections of the line being closed; what would be the value of the same; whether any compensation would have to be paid? these are matters which one would have expected to find dealt with in the budget; but, while the Hon'ble Member speaks of his successor having to be faced with 'the consideration of the way to find money for making up the necessary lee-way under railways, more specially in view of the strain to which our present equipment has been exposed by the heavy traffic demands and the impossibilities of regular and thorough renewal of lines and rolling stock,' he says nothing as to how the dismantled lines are to be re-built, as to who has to pay for them, whether the British treasury will restore the *status quo* both as regards the lines, the permanent-way and rolling stock, if any, carried away—whether we are not equitably entitled to some compensation for loss of revenue by having so many lines closed to traffic—whether the monetary value of all this cannot be set off against the unliquidated portion of our hundred million pounds contribution. I submit, my Lord, this matter deserves some consideration at the hands of the Finance Member.

"In this connection I beg to mention the grievances of railway passengers, specially of third class, which are at this moment pressing very hard We know that the exigencies caused by the war and requirements connected with the prosecution thereof have compelled the Railway Board and the different Railway administrations to place handicaps upon railway travelling. Not only have train services been reduced to the minimum, but fares have been raised up to the maxima which render them almost prohibitive in the case of the poorer classes. Nobody can surely grudge that concessions which were admissible in the higher classes only, that some of their privileges have been withdrawn, but it is a very great hardship upon the poorer people to pay the present rates charged, and the reduction of trains have made these passengers absolutely helpless and miserable. Where overcrowding was the case on special occasions formerly, it is now the normal condition of things. I would earnestly ask the Hon'ble Sir Robert Gillan to let the matter have his indulgent consideration to see whether some relief could not be given both in the railway fares now charged and in train accommodation.

"My Lord, the Coronation Durbar Despatch estimated that £4 millions sterling would be enough for the cost of the transfer to Delhi, and that would, according to Lord Crewe's Durbar Despatch, be the outside figure of cost. What is the real fact now? The amount spent up to the end of 1916-17 is 2 crores 25 lakhs 44 thousands, and adding the figure Rs. 37,60,000 according to the revised estimate for 1917-18, we get the total amount spent up to now as 2,63,04=two crores sixty-three lakhs and four thousand—that is, very nearly half the amount estimated for the whole thing, and another 40 lakhs is estimated for 1918-19. What is the net result of this, nearly 3 crores expenditure? We are told that a 'moderate rate of progress has been maintained in the cost of Government House, the Secretariat Buildings, the Viceroy's Court, and the Great Place'. The fact is, I believe, about as many feet of the plinth level have been raised as we spent crores. Is it not time to seriously consider whether this could not for the present be suspended? What is the urgency when the work is proceeding so leisurely in spending this large sum annually simply to 'carry on' the work. Why should brick and mortar and dressed or undressed stones be supposed to deteriorate if not immediately utilised? Going on at this rate nobody can tell when the new Dewan-i-am and Dewan-i-khas are likely to be ready for the reception of His Excellency the Viceroy and the reformed Council

that is to be. Under these circumstances; I would submit that further proceedings should be stayed till better times return and the money thus set free utilised on more pressing projects.

"My Lord, the Coronation Durbar Despatch of 1911 suggested or rather laid it down that my province Assam was to be under the direct control of the Government of India—to be a sort of Khas-mahal under it. We naturally concluded and everybody thought that we were to have special indulgence shown to us: that at any rate we would have no reason to complain that our ordinary needs even were not supplied. I regret to notice in the budget, my Lord, the treatment that has been accorded to us—the very reverse of what we could reasonably expect. We have not got anything in the shape of any special grant beyond the mere adjusting grant of Rs. 6,48,000. I submit, my Lord, it is not only unfair and unjust but unbusiness-like, regard being had to the immense potentialities of my Province which require development. The Province is rich in minerals, in forest produce. Capital outlay judiciously made for the development of the Province is bound to yield a return in no time many times over. It will, in fact, be a profitable investment that is bound to benefit not only the Province itself, but the whole country. Moreover, it being at present a frontier Province requires special measures. My respectful submission would, therefore, be that there ought to be a substantial special grant for the Province.

"I would like to say a word with regard to the suggestion made to the Local Governments for the success of the war loan next year. There were some complaints in some of the Provinces—my Province, I am glad to say, was free from this—that here and there an over-zealous officer misconceived his duty in the matter and now and again went beyond the line in using persuasion to people to subscribe. Such injudicious proceedings were extremely unfortunate and did more harm than good, and were likely to detract from the otherwise popularity of the loan. I trust that Local Governments would be on their guard and authorize only selected officers to work for the success of the loan next year.

"The Hon'ble Sir William Meyer wound up his speech introducing the Financial Statement with the following words:

'But I have done my best to serve India in these troublous times and I think I can claim that her interests have not suffered at my hands.'

The people of India will gratefully and unhesitatingly endorse this and fully admit his very modest claim. We feel and shall ever remember that he has manfully guarded our financial interests under trying circumstances against attempted inroads by all powerful parties and resisted the incessant pressure that was brought to bear upon him now and again. We shall always bear in mind that he resolutely set his face against fanciful proposals made to bring more money out of the Indian tax-payer, that he most effectively answered and repelled the mischievous suggestion that India had not done her 'bit'—had not made enough sacrifice in sufficient contribution to the war to the fullest extent it was possible for her to do. We shall remember that he faced the obloquy that was sought to fasten upon him by his countrymen who ought to have known better and that he evolved a sagacious scheme of Indian War Finance that has not only stood the test well but has removed a sore point in the Indian fiscal policy. The enhanced import duties on cotton goods without a corresponding increase in the countervailing excise duty on Indian goods, a graduated income-tax, the popularising of the War Securities and the Indian Paper Currency are measures which will have an important bearing on our finances."

The Hon'ble Mr. Muhammad Shafi:—"My Lord, it must be a source of real gratification to the Hon'ble the Finance Member to have been able to present to this Council a highly satisfactory Financial Statement in spite of the prolonged continuance of extraordinary conditions brought into existence by an unparalleled world-conflagration. The increase in the estimated Imperial surplus, the conversion of expected Provincial deficit into a Provincial balance, the remarkable success of the Indian War Loan, the excess of

our exports and imports resulting in the importation of gold into India, the avoidance of further taxation and the prospect of a surplus at the end of the ensuing year constitute some of the most pleasing features of India's financial stability upon which your Excellency's Government as well as the Indian people have every reason to congratulate themselves. And the significance of the great success of our War Loan, floated in this country in connection with India's spontaneous contribution of £100 million towards the expenses of this terrible war, is considerably enhanced when we remember that, during the same period, His Imperial Majesty's loyal Indian subjects have voluntarily subscribed huge sums to 'Our Day,' 'Imperial Relief,' 'Red Cross,' 'Blue Cross,' 'Prisoners of War Bread,' and scores of other War Funds started for the provision of comforts to our soldiers and alleviation of human suffering resulting from the greatest of all wars known to history.

"My Lord, the Revised Financial Statement for the current year shows an increased Imperial surplus of £5,825,000 instead of £136,000 estimated in the budget presented to us last year, in spite of our having had to spend as much as £66 million in this country on behalf of His Majesty's Government. There is, in this happy result, ample reason for satisfaction. I find myself in complete agreement with the Hon'ble Sir William Meyer in thinking that, in framing our estimates in the abnormal circumstances we have to face, we must proceed with the caution and if, acting on this salutary principle, we find the ultimate results more satisfactory than originally anticipated, the matter is one for congratulation and not for criticism. In the extraordinary circumstances whatever may be said of normal condition, international as well as local, produced by the world war, it would, to my mind, be contrary to sound principles to be over-sanguine in our financial forecasts, for the consequences of being over-optimistic may possibly give rise to disappointment leading to dissatisfaction.

"My Lord, our agricultural population constitutes the backbone of the British Indian Empire, and their prosperity is very naturally one of the foremost concerns of your Excellency's Government. It is from them that our Indian armies are drawn, and it is upon them mainly that the heavy burdens as well as grievous sufferings of this catastrophic war have fallen. It is most gratifying, therefore, to note that our satisfactory revenue position, as revealed in the Revised Financial Statement for the current year, is 'largely due to favourable agricultural conditions.' Increased revenues from agricultural sources mean cultivation of larger areas, resulting very naturally in larger harvests and, in consequence, greater prosperity for our sturdy agricultural population, and the record figure of £54 million, representing the excess of our exports over imports, in spite of a considerable reduction of tonnage, constitutes clear indication of improved trade conditions and the consequent prosperity of our commercial classes. The increase of revenue, during the current year, under the heads 'Railways,' 'Custom,' 'Posts and Telegraphs,' and 'Income-tax' must undoubtedly be regarded as highly satisfactory from every point of view. It is, however, difficult to look at the increase of £1,80,000 in our excise revenue with the same feeling of satisfaction. A State monopoly in the manufacture of alcoholic liquor is justifiable mainly on the ground that in this manner alone the State is in a position to exercise restrictive influence over the consumption of liquor and thereby promote the cause of temperance and social reform. An enhanced excise revenue may, of course, mean larger profits in the manufacture and sale of liquor without increase of the quantity sold by reason of enhanced prices intended specifically to make the drinking of liquor somewhat expensive for the poorer sections of our population. Such a result is undoubtedly calculated to promote temperance among the lower strata of Indian society. But it may, on the other hand, represent merely the natural consequence of increased sale of alcoholic liquor with all its concomitant evils. The resulting evils of such a deplorable state of things are self-evident. The general excise policy of the Government of India, as enunciated by the Hon'ble Sir George Barnes in the interesting debate on my Hon'ble friend Mr. Sarma's Resolution the other day, is undoubtedly

based on sound principles. What is needed is greater vigilance on the part of those who are charged with the carrying out of that policy May I, in this connection, urge upon your Excellency's Government the extreme desirability of directing resort to local option wherever possible, in the matter, not only of opening new drink shops, but also of renewal of existing licenses. It seems to me that by the adoption of this principle, the work of temperance reform will be made really effective to the incalculable benefit of those of our lower classes who are unfortunately addicted to the drink evil.

"My Lord, of the various items in what may be called our Revised Provincial Statement, relating to the reduction of Provincial expenditure, there is one to which it is necessary to invite attention. In paragraph 19 of his speech the Hon'ble the Finance Member tells us that the decrease of about £1 million under Provincial expenditure is due to anticipated lapses in budget grants in respect, among others, of education. This, to my mind, constitutes a highly, unsatisfactory feature in the Revised Financial Statement for the current year. The appalling ignorance of the rest of Indian masses which makes them easy victims of the unrighteous exactions as well as trickeries of the professional money-lender and of the subordinate ministerial officials of Government and on account of which they succumb so easily to superstition as well as to clap-trap of all kind, can be eradicated only by means of a wide expansion of elementary education throughout the length and breadth of the Indian Continent. A universal diffusion of primary education among the illiterate millions of His Imperial Majesty's Indian subjects ought, therefore, to be the principal aim of our educational policy. Ever since the adoption by Government of the policy laid down by the Education Commission of 1882 and more particularly in recent years, the Government of India have very rightly devoted particular attention to the solution of this vital problem. There is ample scope for expenditure in the faithful discharge of this all-important obligation in the various Indian provinces, and the lapse of educational grants, therefore, is in the highest degree deplorable. The Government of India should, therefore, impress upon the Provincial Goverments the urgent need of greater efforts towards the expansion of elementary education among our masses by utilizing educational grants to their fullest extent. And when that destroyer of all civilized traditions and laws of humanity, *i.e.*, German militarism, is wholly crushed, as we all trust it soon shall be, the Imperial and Provincial Governments should be able to spend larger and still larger sums towards the realization of this greatest of all the needs of our country.

"My Lord, the somewhat heavy increase in the military charges during the current year was obviously unavoidable, and no one who is alive to the deplorable necessities of the existing situation can take any exception to it. There is one aspect of this increase, however, with reference to which I desire to say a few words on this occasion. According to the figures given by the Hon'ble the Finance Member, a sum of £520,000 have been spent in 'grant of increased pay to British Troops.' May I, in this connection, venture to appeal to your Excellency's Government on behalf of our Indian soldiers who have right nobly borne the burdens of the Empire and upheld the honour and glory of England on the battlefield of three Continents to the everlasting fame of India's martial races. In these days of high prices the pay of Indian soldiers is utterly inadequate to meet even ordinary requirements, and I earnestly hope and trust that this urgent problem will receive early attention from His Excellency the Commander-in-Chief.

"My Lord, the time at my disposal being limited, it is impossible for me to deal with any of the other items in the Financial Statement on which one would otherwise feel tempted to address the Council. I will, therefore, conclude by offering my sincere congratulations to the Hon'ble the Finance Member on the remarkable skill displayed in the preparation of a highly satisfactory statement of our financial affairs under circumstances the most difficult and complicated India has ever had to face, and, in view of this being the last year of the tenure of his high office, I venture to add a few words to the eloquent testimony borne by the Hon'ble Members who have preceded me, to the exceptional sagacity and statesmanship with which Sir William

Meyer has presided over the financial administration of our country through a period of storm and stress. During the last four years India has had to face, in common with the rest of the Empire, financial difficulties unparalleled in her past history. Under his wise guidance, and with the benefit of his ripe experience, she has successfully weathered the mighty storm. We, the non-official Members of this Council, have special cause for being deeply grateful to him. He has always been ready and willing to give us the information and advice which, from time to time, we have been in need of: his hospitable doors have been open to us both at Simla and Delhi in an unstinted measure. It is, indeed, with the deepest regret that we shall part from him when, in a few months, he will hand over the reins of his high office to his successor, and our best wishes for a long and happy life will accompany him in his well-earned rest."

The Hon'ble Mr. Surendra Nath Bannerjea:—"My Lord, my first words on this occasion would be words of congratulation offered to the Hon'ble the Finance Minister on the Financial Statement which he has submitted to this Council. It is a war budget, but a war budget that does not impose additional burdens upon the people, and as such it is an achievement of which any financier might well be proud. The Hon'ble Finance Minister will soon be leaving us and he has presented to this Council an account of his work. Looking to that work, I will say this, that in the annals of our financial administration the Hon'ble Sir William Meyer will take a place among the most distinguished of his predecessors. We are beholden to him in a special degree and for one particular matter. There have been critics who have been persistent in their efforts to minimise the measure of our co-operation with the Empire in the struggle, and that sort of criticism has even been heard within the walls of this Council Chamber.

"The Hon'ble the Finance Minister has always stood forth as a stout champion in vindication of the efforts of the people of India to aid the Empire in the present crisis, and no more convincing proof of the justice of that vindication could be afforded than by the testimony of the cold and colourless facts which are furnished by the Financial Statement, and which will, I am sure, silence even the venomed tongue of calumny. Look at that Financial Statement for a moment. Apart from our contribution of £100 millions, apart from the contributions of the Indian Princes, apart from our own subscriptions in aid of war charities, we have helped the Empire in various and indirect ways. The Hon'ble Sir William Meyer computes that for the three years and-a-half during which the war has lasted, our expenditure in India in aid of the Home Government comes up to £128 millions. My Lord, speaking on behalf of my countrymen; I will say this, that we do not grudge the expenditure. We are proud of it. The Empire is engaged in one of the noblest wars that ever stirred the heart of humanity, a war of justice and freedom, a war for the protection of minor nationalities and the vindication of the sanctity of treaty obligations. My Lord, we have freely contributed all we could in respect of men and money, and we are prepared to do so as long as the war lasts. And this patriotic resolve on our part has been deepened and strengthened by the gracious message of the 20th of August which promises responsible government, a promise which India hopes will in its fulfilment eventually place her among the free self-governing communities of a great and federated Empire.

"My Lord, the budget is a budget which imposes no taxation. That is its salient feature. This is due to our surpluses. I cannot help thinking that there has been an under-estimate in this matter. But, my Lord, perhaps it will be said that this is, after all, a failing that leans to virtue's side. It has the effect at least of saving us from taxation this year.

"My Lord, the Financial Statement makes a notable announcement. I will read that announcement in the words of the Statement itself. It runs as follows:—

'We have under consideration, for application after the war is over and in connection with the scheme of Constitutional Reforms, a material advance in the direction of separating Provincial and Imperial finance, which will give the Provinces larger and more independent resources, with further power of supplementing these by taxation when such may be found necessary.'

"My Lord, here we have sounded for the first time in this Legislative Council, in clear and distinct notes, the beginnings of a policy which in its fruition will confer upon the Provinces the inestimable boon of fiscal independence. My Lord, when three years ago I ventured from my place in this Council to urge that fiscal independence for the Provinces had been promised by the despatch of the 25th of August 1911—for provincial autonomy necessarily involves fiscal autonomy—my Hon'ble friend the Finance Minister rose up and challenged that statement—he said no such pledge had been given. My Lord, I was overborne by the weight of official testimony. That has always been our lot, that was my lot that day. I said nothing; I could say nothing. But the hour has at last sounded for the vindication of that part of the despatch, and to me it is a matter of the sincerest personal gratification—it may be the bitter irony of fate—that my Hon'ble friend should himself stand forth as the defender of that despatch and the high priest of this function. We are moving on; the world is changing, Sir William Meyer has also changed. May we hope that the process will continue until he appears before the world as the stalwart champion of the constitutional reforms now pending.

"My Lord, I take it that under the scheme thus outlined there will be no heads of divided revenue; that the Provincial revenues will belong to the Provinces, that the Imperial revenues will belong to the Government of India, and that the Provinces will have sufficient heads of revenue given to them to meet their growing requirements. For, my Lord, the fact cannot be disputed that, as soon as the scheme of constitutional reforms is carried out, the Provincial Governments will assume a measure of importance which they do not possess now, and it will be their duty to develop those sources of revenue upon which the wealth, the prosperity and the happiness, of the people so largely depend in a special measure—I refer to the expenditure under the heads of Local Self-Government, Education, and Sanitation.

"My Lord, I find no mention is made of any power being given to the Provincial Governments for contracting loans. That is an anomaly to which I desire to call the attention of the Hon'ble the Finance Minister. In Bengal, the Corporation and the Port Trust of Calcutta have the power of contracting loans, subject to the sanction of the Government of India. The Government of Bengal, which is a superior body, does not possess this power. I hope and trust that, when our institutions are liberalised, when popular government is installed, the Provincial Governments will have the power of floating loans.

"My Lord, the Financial Statement says that the trade conditions were favourable and observes that this was largely due to the absence of competition. My Lord, I take it that that is an argument in favour of protection, for protection blunts the edge of all competition. My Lord, we educated Indians are all protectionists—I hope no dissentient voice will be raised in this Council with regard to this matter—not wholesale, irrational, extremist protectionists, but protectionists in regard to those articles which can be produced and developed in our own country. The war afforded an automatic protection to our industries, if indeed we had any. But, unfortunately, we had few or none, so that we were not able to take advantage of that golden opportunity which presented itself. My Lord, I hope that the Industries Commission which is now at work will make recommendations, the acceptance of which will help forward the development of our industries; I hope that it will be your Excellency's high privilege to lay, broad and deep, the foundations of our future industrial greatness. Too long—far too long—has the State held aloof from participation in the industrial movement. The time has come when it must change its policy, place itself at the head of the industrial movement, and make India self-contained, self-reliant, the store-house of the Empire, holding her own against the enemies of India and of the Empire.

"My Lord, I pass on to the question of Railways. There has been a steady growth in railway receipts, a steady decline in the comfort of the travelling public. My Hon'ble friend Mr. Chanda has sounded this note. We are all railway travellers and have to do it almost every day of our lives. We are put to serious inconvenience by reason of the discontinuance of so many passenger trains. We are told that it is due to the absence of materials and the impossibility of

renewals in consequence. Here again, my Lord, I refer to my old proposition. Let us have waggons, let us have materials, let us have the means of making railway waggons, steel rails, and things of that kind in India. Again I say—make India self-contained and self-reliant—the store-house of the Empire, as Mr. Chamberlain said, and I am sure India will be a source of incalculable strength to the Empire.

"My Lord, I should like to say a word or two with regard to the loan operations of Government. They were a splendid success last year. I hope they will be a great success this year, too. I do not say we shall be able to repeat our last performance this year, but at any rate the conditions are favourable; the people are with you, they will co-operate with you if you go in the right direction. Sometimes you did not do that on the last occasion. Complaints were heard in the newspapers of official pressure being brought to bear on poor investors in order to make them subscribe. There was no need for it. The superior authorities never suggested a thing of that kind. It is over-zealous officers who must have done it. Their zeal must be restrained, because if the feeling were to go forth that official pressure would be used for the purpose of helping forward the loan operations it would re-act upon public confidence and interfere with the success of the loan. My Lord, the Post Office certificates made a marvellous revelation of the wonderful financial credit of the Government and the hold which the Government has over small investors. It is a revelation of which the Government ought to take the fullest advantage and let nothing be done which would in the smallest degree interfere with this feeling of confidence which the small investor has in the Government. At the same time, my Lord, with your Excellency's permission, I desire to sound a warning note. The price of Government papers, of securities, has been steadily going down. Let me recall to mind one or two facts in this connection. In 1894, when the mints were closed, 3½ per cent. Government paper went up to 109. That was due to the operation of the enfaced papers in London. Perhaps it was a matter of speculation, and the price in a short time came down to 104. Before the war it remained at 99; to-day it is 68. The 4 per cent. paper when it was issued was at par; the price of it now is 80. Your 5 per cent. paper which was issued at 95 is now valued at 90½. I think my Hon'ble friend the Finance Minister should take note of these facts. We are with the Government. We want to co-operate with the Government. We want that the next loan should be successful—if not in the same measure as the last loan, at any rate that a substantial part of the 20 millions we want should be raised. But, I think, we ought fully to realise the difficulties that lie in our way in order that we should be in a position to overcome them.

"My Lord, I desire for a moment to refer to a matter which my Hon'ble friend Mr. Shafi has discussed. Pay concessions have been made to British soldiers. I have not the slightest objection to that; but no such concessions have been made to Indian soldiers. I think the answer will be that they get their rations free. I say that is not enough. Rupees 11 a month, which is their pay and free rations in these days of high prices are not sufficient to be attractive. I say so without any fear of challenge or contradiction. My Lord, I have had some experience of recruiting. I am not quite a recruiting sergeant, but last year I addressed about 25 recruiting meetings in connection with the Bengali Battalion which was then being formed. We have been able to get together a battalion and more recruits are coming in steadily, but very slowly. There was one difficulty which we could never overcome. The difficulty which confronted us was this,—that the pay was Rs. 11 *plus* rations, and that pay and those rations were not sufficiently attractive to the ordinary Bengali recruit. The prices of things have gone up, and you must take note of that fact at once. The moments are precious. You want men—thousands, hundreds of thousands, millions. We have an inexhaustible reservoir of men in India. We are prepared to place them at the disposal of the Empire at this supreme crisis of the Empire. Give us the facilities, give us the opportunities, give us the power and the means, and we shall do it with the devotion which belongs to our Oriental nature. But here are considerations, monetary considerations of pounds, shillings and pence, which

stand in the way. You must rise above them. The Empire is in danger. Money is no consideration. It ought to be forthcoming, my Lord. I say so with the utmost emphasis, money ought to be forthcoming in order that our soldiers might be placed absolutely above want and the pressure of want. I make a personal appeal to your Excellency in this connection.

"My Lord, I want to say a word or two about Sanitation and Education. Those are hackneyed subjects, it may be said, but they are subjects which may be taken as a test for judging a budget, and if you apply that test to this budget I am afraid the result is disappointing. The expenditure on Education has not made any appreciable advance since 1914-15. For the coming year my Hon'ble friend has added 759 thousand pounds to the expenditure assigned to Education. And further you have given only 30 lakhs to Primary Education. Compulsory primary education will soon be general in Bombay. A Bill has passed the Bombay Legislative Council and a similar Bill is now pending in the Bengal Council. Under these circumstances, I say the grant for primary education ought to be much more than it is. His Majesty announced at the Great Durbar in 1911 50 lakhs for primary education. You have given us only 30. And then your Provincial Governments will not spend the money. They have got unspent balances. My Lord, we are in a difficult position. When we come to you, you say 'go to the Provinces: there are the unspent balances.' When we go to them, they say 'We cannot spend without the orders of the Government of India.' What are we to do? Here are the unspent balances and they want your help in the matter; and when we come to you to ask your help you say 'Go to them.' I think that is hardly fair to those who are interested in this great problem of education and especially of primary education.

"In regard to Sanitation, the position is even worse. It has made no appreciable progress. On the contrary, there has been a decrease of expenditure since 1914-15. You have, indeed, given us 135 thousand pounds next year in excess of the expenditure of this year; but then the whole excess grant comes up to only 714 thousand pounds, which is a paltry advance in the case of such a vast population as that of India. And, my Lord, the sanitary problem in Bengal looms large and is menacing. We have got malarial fever there, and thousands of people are being carried off by it every year. Our Governor, Lord Ronaldshay, with praiseworthy enthusiasm, has addressed himself to the task of grappling with this terrible scourge, but he needs money, and you must give him the money.

"One word more and I have done. It is with reference to reserves. Our reserves are not in India in our hands; they are in England and in a somewhat unsatisfactory condition. The whole of our gold standard reserve practically has been invested; and the metallic portion of our paper currency reserve which stood at 96 per cent. in 1914 to-day stands at 53 per cent. I ask my Hon'ble friend the Finance Member to say whether this is safe.- He is compelled to admit that we are going far beyond the recommendations of the Chamberlain Commission. It was the success of the war loan and the Treasury bills which saved the situation. My Lord, we ought not to trust to luck. 'Lakshmi, the goddess of wealth,' says the Hindu proverb, 'is fickle and capricious.' We must rely upon our statesmanship, upon our counsels of prudence and wisdom rather than upon the chapter of accidents, in framing our financial policy.

"My Lord, I do not wish to detain the Council any longer. I will close my observations with the earnest hope that what I have said and what other Hon'ble Members have said or may say will be sympathetically considered by your Excellency's Government, and so far as possible included in the Financial Statement that will be presented on the 22nd of this month. Then, my Lord, and then only will the inane debates of former years have given place to fruitful discussions resulting in budgets that will command the approval and commendation of the people of India."

The Hon'ble Mr. K. V. Rangaswamy Ayyangar:—"My Lord, under head 'Expenditure 3' I have to say that the items in the table at

page 21 represent the cost of survey mostly for administrative purposes. It is a matter of great complaint for landholders that the cost of their survey operations are recovered partly from the landholders. I need not point out to the non-landed classes in this Council how strong their feelings would be if such a special tax should be imposed over and above the income-tax for maintaining the establishment and records for the collection of the latter tax. Then under the same head I should request the Government to issue strict injunctions to village officials to keep correct accounts of the collections made over and above the dues to the Government, and after the 'jamabandi' of every year to make a refund to the parties concerned of all over-collections. Beyond the host of cesses and the penalties there seems to be a very large amount of over-collections, the exact amount of which I shall give to the Council later on. These should, in justice, be returned to the parties concerned.

"Then as regards Revenue item III Salt several members of this Council through a number of questions have already drawn attention to the high prices of salt prevailing throughout India. Considering the fact that there is an increase of nearly 219 lakhs between the budget and revised estimates of 1917-18 we have to fear that the action of the Government is greatly responsible for these increases in the price of salt. The system by the Madras Government in selling by auction certain salt factories in which stocks were low is very unsatisfactory, and there seems to be an attempt to repeat in the case of salt what has been done with such lamentable success in the matter of auctioning liquor shops.

"In the matter of Revenue heading VIII between the budget and the revised estimates there seems to be an increase of nearly 142 lakhs, the increase no doubt 'arising from favourable trade conditions and the creation of additional establishments mainly military,' and evidently also—the memorandum supplied to us fails to add—from additional over-zeal of income-tax officers like the Collector of Chakwal whose extraordinary judgments over income-tax petitions were reported by the 'Tribune' in its issue of the 8th ultimo. The three typical judgments run thus:—

(1) 'He the objector has three sons and will not enlist one of these. He has also not subscribed to any War Fund or War Loan, although he could easily do so.'

(2) 'Up to date he has not helped even by a single pice in the War or Red Cross Funds.'

(3) 'He is a miser and has not helped with a single pice in any War Fund or Loan.'

These judgments speak volumes of the mind and methods of certain officers.

"As regards 13 and 14 'expenditure,' I have to say with regret that in spite of my drawing the attention of the Government last year as to how they should have treated the surpluses that have accrued from the lands dedicated to temples and vested with the Government for management as debts due to the various temples, I see in this year's budget that no such inclusion of these items has been made under the head 'debt,' permanent or temporary. What became of these funds could not be ascertained either here or in the local Councils. When I interpellated on that subject here Sir Reginald Craddock was kind enough to refer me to the Local Governments concerned for the information regarding the accumulated amounts due to the various temples; but when a friend of mine sitting in the local Council interpellated the Madras Government on the same subject they very courteously referred the Hon'ble gentleman to the Imperial Government. So again this year I have to point out for the serious consideration of the Government that these are trust funds and should be restored to the temples concerned or treated as debts incurred by the Government. It is highly undesirable that the temple authorities should be driven to have recourse to legal remedies in respect of these funds.

"Under head 'expenditure 15' considering the fact that the increase in revenue under 'Posts and Telegraphs' from 1914-15 accounts to the budget of this year is nearly $1\frac{3}{4}$ crores it would be proper to spend some more amount for the better pay and prospects of the subordinate staff and for better provision of postal services in the villages. The matter is so important that its consideration should not be deferred on account of the war. Then in the higher

services had there been no supersessions by young European officers over veterans in the field the expenditure under head 15 should have been considerably less. Specific instances of undue supersessions could be easily given if required. Then the telegraph rates are not reduced. For an interpellation of mine to reduce the rates if there is no reduction in the number of telegrams, for which alone the increase of rates was contemplated, the Commerce Member replied that that is the very reason why the rates have to be increased still further. But the Government should resort to some other means for providing the staff required, and I may point out that whenever they are in need of other commodities for any purpose they do not increase the rates but increase the staff and output.

"*Head* '*Expenditure 19-A.* (*b*).'—In this item I should suggest that there will be a great saving if, instead of establishing special tribunals, an increase in the number of temporary judges is made in the High Court. It will also infuse confidence in the minds of the people that all cases are tried in the usual way to mete out justice rather than suggest a desire to punish those that are tried. Besides the opinion on the point whether the Governor General has got the power to constitute special tribunals is divided.

"'*Expenditure 19-B.*'—An additional cause for saving in the Punjab jails has been said to be due to the transfer of convicts for the formation of Labour Corps in Mesopotamia. While rejoicing that they are made use of in the best interests of the Empire I have to protest against taking them against their will to countries outside India and exposing them to risks of life.

"'*Expenditure 20.*'—I note a punitive police has been established at Bihar. The Hon'ble Mr. Abdur Rahim rightly had put a question if those hordes of ordinary Police and Criminal Intelligence Department did not scent a riot of that serious nature and did not report the matter to the Government. Owing to that gentleman not being at the meeting that day the question was withdrawn, yet a satisfactory reply to that interpellation is due from the Government. If they had failed to report, the expenses incurred upon such a staff may well be utilised in other ways.

"Then as regards Education, Sanitation, and Irrigation the Government gives grants with a miserly hand, and yet even the whole of these grants are not spent and they 'lapse' and the Government issues strict orders to the Local Governments not to lay hands on surpluses. It is with greatest regard for economy that grants are given during each year and what is the meaning of giving injunctions to the Local Governments not to spend the surpluses? When we Members see the grants in budgets against these items we are satisfied and congratulate the Members concerned for providing so much for the pressing needs. But what happens next year? There are lapses and the money is not spent and there is the injunction that these surpluses should not be touched. What they give with one hand they take away with the other. When education received so much as thirty lakhs more last year all were really rejoiced and thought that to be the redeeming feature of the last year's budget, but this year we see that 36 lakhs have not been spent. That is the case with Sanitation and Irrigation. This is really unsatisfactory.

"'*Expenditure 23.*'—This is a really heart-burning subject and many have pointed this out time and again to the injustice of this item. Though the expenses are only 20½ lakhs, this item transgresses the solemn pledges and proclamations made every now and then by the Sovereign. To take from the different religionists and even fanatics of other creeds and to pay for the maintenance of the sectarian Church of England is un-British. The argument that it is useful for the military loses ground as another branch under military department is created and 1·09 lakhs are charged to the Military Accounts. When there are soldiers composed of all religionists, it does not look well if only one section should be provided for. Justice requires that this item should be met by a separate taxation levied on only those who subscribe to the creed of the Church of England.

"'*Expenditure 24—B.*' Our thanks are due to the Government for providing a lakh of rupees for the Badrinath route. I may say that the broken toes and bleeding knees to which the poor pilgrims were subjected to will be

relieved by the good state of repair the road will be kept in with the money provided for. I have also to bring before the Council that other great pilgrim centres in the South like Srirangam deserve their inclusion in the Imperial grants and if the Government do not see the feasibility of allotting to these places from the 3·53 lakhs of the reserve, for the improvement of drainage works, assistance should at least be given as loans to these struggling municipalities for the completion of their drainage projects.

" '*Expenditure 46.*'—I do not touch upon any of the huge expenditures incurred. Anyhow, all our resources should be diverted to this one question of the hour. I have only to point out that when we are thankful for substituting the word 'Indians' for 'Natives' and for placing us in due status we see an additional expense of 78 lakhs for increased pay to British soldiers while no proportional increase is granted to the Indian soldiers who are equally subjecting themselves to sacrifices.

" I cannot sit down without saying a few words about paragraph 25 of the Hon'ble Financial Member's speech. He was complaining of Madras—his and my Presidency—for going behind some of the backward provinces of India in the matter of the War Loan. Having a full knowledge of the economic condition of Madras it is surprising that he should not have appreciated what was scored by Madras. With no industries and with few rich houses and these all divided into small estates (due to the non-existence of a law of primogeniture even in the case of big and ancient families) and with the crushing temporary ryotwari settlements Madras could not possibly do more.

" Then in the matter of issuing another loan this year, I should say that it would be more advisable to issue it next year. The rate of interest has already become very high, and the flotation of another loan will jeopardise the interests of land-owners and other industrial people wanting capital or otherwise indebted.

" There is also an ominous indication in paragraph 74 of the Finance Member's speech that Government is going to enact for the curtailment of the issue of private capital. Already the Railway Board has issued a Circular that it does not allow any company to be floated in India during the war. Railway should be considered as one of the developments of national concerns. Any restriction on borrowing or formation of companies would certainly go to endanger the small attempts at industries that are stimulated by the war. If in the heat of the moment they are not allowed to form the companies, there will be no use in stimulating their growth when fervour has subsided and the matter has become cold.

" One word more and that is our expression of sorrow at the parting of friends. Our Finance Minister has combined in himself a straight forward and clear policy—though socialistic and so not quite approved of by some of us—with a large measure of ready wit and piercing criticism and a remarkable ability and India had not compromised her interests in him; and it is only now that India will be a loser as the experiences of such an officer will not go to benefit her hereafter, as he goes Home. This is not his home!"

The Council adjourned for Lunch till 2-30 P.M.

The Hon'ble the Raja of Mahmudabad:—" My Lord, it has fallen to the lot of my Hon'ble friend Sir William Meyer to prepare and present war budgets in succession; that in itself is an achievement out of the ordinary; but to present to the country a surplus during these abnormal times is a feat of which my Hon'ble friend may well be proud.

" The budget that we are discussing contains another remarkable and unlooked-for feature, inasmuch as no fresh taxation has directly been resorted to; I say 'directly' advisedly; because by the provisions of the new Income-tax Amendment Bill agriculture has indirectly been subjected to fresh taxation. Under whatever guise it may be put forward, the fact remains that agriculture, against which a threat was held out last year, has been taxed. This is a serious departure from the established policy of the Government, for admittedly agriculture is already meeting the heaviest demand of the Government

compared to other industries, and, as my friend the Hon'ble Mr. Shukul has shown in this Council, heaviest also as compared with other countries. This is not the occasion to enter into a detailed examination of the proposal, but I have made this passing reference only to invite attention to it in connection with the claim of the absence of any fresh taxation in the budget of the coming year.

"But, on the whole, it is a budget which shows that my friend the Finance Member has made a close and a very sympathetic study of the financial problems of this country, and, on the approaching relinquishment of his high office, I join my colleagues in paying the tribute which he is so deservedly getting for his great talents and services.

"My Lord, as I said in this Council on a previous occasion, I prefer that the unprecedentedly abnormal financial requirements of the Government be satisfied by means of a loan rather than by an increase in taxation or fresh impositions. The enthusiastic response of India to the invitation to participate in the War Loan is a fresh proof not only of the realisation of the responsibilities which as a component part of the British Empire devolve on her in this fateful period of the world's history, but also of this system being better suited for India at least. The new method which has been employed of getting short term loans by the issue of Treasury Bills is a happy idea, and I hope that it will be increasingly made use of.

"But, my Lord, I look with misgivings to the expansion of the paper currency, and the coinage of new money at the rate at which it has been done. I agree with Mr. Webb of Karachi, and I wish that the Finance authorities of your Government would constantly keep in mind the danger which large issues of money—whether paper or metallic—possess in them in a latent form through the inter-relation of the inflation of prices and depreciation of the purchasing power of money—a contingency which is by no means a remote possibility, but which has unfortunately manifested itself in a more or less acute form in all parts of the country. I realise that these are not the only factors which have brought about this state of things. Many other causes remote as well as immediate have contributed to it. But the causes to which I have particularly referred are at least those which it should be our aim to keep under constant vigilance. In the beginning of war every reform was held in abeyance; and it was natural that it should be so. All energies and all resources were directed in one channel alone, the channel that is of the prosecution of the war with the greatest vigour. Much as we hoped each year that that year would be the final year of the war the hope has so far turned into bitter disappointment. However, the end of the war is not yet measurably in sight; the need for carrying on the war with the same grim determination is as urgent to-day as it was when we entered the struggle; but at the same time it is evident that the longer the war lasts, our own problems, social, political and economic, to single out a few among many, are accumulating. Can we brush them aside and say that they can wait? But the longer they are deferred they are gathering greater force and momentum in their insistence for solution. We cannot arrest time and make it stand still or so arrange our national affairs that they will step aside and come to us when we want them at our leisure.

"I, therefore, submit, my Lord, that we should make up our mind to begin to grapple with those problems without slackening our efforts to reach a successful issue of the life and death struggle in which we are engaged. My Lord, education is one of those questions, perhaps the most vital question; and it should no longer be treated in a perfunctory or leisurely manner. Free and compulsory education by a consensus of opinion is overdue; obstacles to its adoption there may be, but they are not such as could not be overcome. The grant of 30 lakhs provided for primary education is satisfactory as far as it goes, but it cannot by any stretch of words be called adequate, or even anything like it. And, my Lord, it was not pleasing to read in the Financial Statement of my Hon'ble friend the Finance Member the remark with regard to the special grants on education, sanitation and medical relief that, in view of the war conditions, Local Governments had again been asked to restrict drawings on their balances, which include the unspent remainder of their special grants. I would wish that they would be instructed to utilise them to the full, for in

all conscience neither education nor sanitation nor medical relief are things which can or ought to be garnered and hoarded and then distributed as and when we like. The need for them is with us from day to day, even hour to hour.

"My Hon'ble friend, Sir William Meyer, has foreshadowed a measure of far-reaching consequences; he says that restrictions will be imposed in the coming year on the issue of Capital for enterprises which may not be considered of national importance.

"Now, my Lord, the silver lining in the dark cloud of the war for industrially backward countries like India was the removal of the incubus of foreign competition; now was the time that industrial India should have discarded her swaddling clothes, and tried to stand on her own legs. Who can say that India has made, or been permitted or encouraged to make, full use of her opportunities? It is a crying shame that countries like America and Japan should capture the trade of India, while India, from what cause or combination of causes soever, should still be dependent for articles of every-day use on Japan. The nascent industries required careful and tender nursing at the hands of the Government. Where are the bounties and the subsidies of which we hear so much in other countries, and with which countries which are engaged in the war are even now stimulating and strengthening their trade and their industries?

"My Lord, in the face of these deplorable conditions, I may be pardoned if I do not look with equanimity at the prospect of restrictions on the free expansion of industries in India."

The Hon'ble Nawab Saiyed Nawab Ali Chaudhri:—"My Lord, if the Hon'ble Sir William Meyer has the misfortune to handle our finance at a time of exceptional difficulty and stress, he has the singular good luck of an extremely favourable monsoon and a bumper crop which has resulted in producing a surplus of £5,825,000. I wish to join hands with others in congratulating the Hon'ble Member on his well-balanced Financial Statement. Before proceeding further I beg to remark that it is a matter of great gratification to find that the budget under discussion does not impose any fresh tax.

"My Lord, we find no sufficient provision in the present budget for secondary education, though last year some money was sanctioned which was unfortunately not fully utilised. My Lord, the question of secondary education has not received that amount of consideration which the subject deserves. The condition of secondary education in Bengal, indeed I may be so bold as to include the whole of India, is far from satisfactory.

"We have had several Commissions appointed on different occasions to inquire into the conditions of education, but the Commissioners have addressed themselves mainly to the problem of college education. The question of secondary education did not seize their imagination in the way that the subject so urgently demanded.

"My Lord, the root of all our trouble lies in the system of our secondary education. We can go on appointing Commissions and spending enormous sums of money for the improvement of our higher education without any appreciable advance so long as the conditions of our schools remain stationary. It is not advisable to make the superstructure top-heavy without ensuring the foundation. A vast majority of our young men who seek admission to University courses and other professional, scientific, and technical institutions are ill-equipped and unfit to assimilate advanced teaching required for a course of higher training.

"Mr. Hornell describes the condition of secondary education in Bengal as bad. The condition of the schools he says 'is undoubtedly prejudicing the development of the Presidency and is by no means a negligible feature in the existing state of general disturbance. It is in the high schools with their underpaid and discontented teachers, their crowded, dark and ill-ventilated class-rooms and their soul-destroying process of unceasing cram that the seeds of fanaticism are sown.'

"Mr. Hornell very correctly regards their remedy as mainly a matter of funds remarking that the secondary education system is being run at a figure at which the genuine article or anything approaching it cannot be delivered. Other Directors are also faced with the same difficulty of securing permanent teachers. The Central Provinces report complains of the dead level of mediocrity and sameness in the methods of teaching, mainly attributable to lack of general knowledge and attainment in the staff. There are two other contributing causes—the dominance of the matriculation examination and the absence of any effective control over the organisation of the system.

"My Lord, I am not an advocate of building palatial houses and elaborate class-rooms for our schools. My claim is that enough money should be spent to improve the lot of teachers. The causes of a high percentage of failures in certain Provinces may be traced to inefficient teaching imparted by untrained and unqualified teachers. The percentage of trained teachers in schools is still very low, and it is no wonder, considering the poor pay and prospects held out by the profession, that men of the right stamp are not available.

"It is a matter of extreme gratification to us to hear the Finance Member's statement on War Loan operations. His estimate of the total amount expected has been more than trebled, and the result has far exceeded the anticipations of the most sanguine expert. This splendid success is a clear proof of the whole-hearted support and loyalty of the people of India in whom a great trust had been reposed and who were not found wanting, and I hope they will rise to the occasion to help the cause for future exigencies.

"My Lord, under the heading 'Police' the increase of expenditure by Rs. 1,68,904—for the budget of 1917-1918 in the Province of Bihar and Orissa might have justified the expectation of a corresponding efficiency on their part in the discharge of their duties, but the recent events in that Province have proved the desirability of a further increase in the strength and efficiency of that Department. The special grant of 2½ lakhs for additional armed police and for a Military Camp will to some extent, I hope, re-establish the confidence of my unfortunate community. I desire to convey to your Excellency and the Government the grateful thanks of my fellow-Muslims for the kind words of sympathy expressed for the unhappy sufferers in the recent outrage in Bihar in your Excellency's opening speech.

"It is needless to impress upon the Council how strongly we feel on the subject, and I trust the Government is alive to the danger to which certain communities are exposed by reason of their numerical inferiority in certain Provinces. I hope in future precautionary measures of such a character will be taken as to render the repetition of such incidents impossible.

"Lastly, I desire to bring to the notice of this Council the insufficient provision made in the budget for the pressing need of works of sanitary improvement. I do not desire to press the Government on this subject at a time when their energies and resources should be otherwise occupied. But I would like to point out the defective results of the present system of distribution of resources and responsibilities between local bodies and Local Government on the one hand and the Central Government on the other. It displays the picture of the Exchequer of the Government of India overflowing with money, while these local bodies have been in a state verging on bankruptcy and Local Governments though they may have considerable balances at their disposal are not allowed to use them.

"It is high time that the Government should announce a definite policy in the matter.

"In conclusion, my Lord, I desire to join my Hon'ble colleagues to convey our tribute of admiration to Sir William Meyer who is about to leave us, and we shall ever cherish a kind memory of him as one of the most able and sympathetic members who have had charge of the financial portfolio."

The Hon'ble Sardar Bahadur Sundar Singh Majithia:—

"My Lord, in going through the Financial Statement the first thing that strikes one is that Land-revenue, apparently, is the backbone of the financial resources of the Government of India. Very nearly 45·5 per cent. of the whole income is derived from that source. This income depends to a greater

extent on weather conditions being favourable. No doubt the policy of the extension of canals is helping to make the position securer, but even this security, in its turn, depends upon favourable monsoon conditions. It is, therefore, a matter of congratulation that Irrigation has had its share of the Government resources. In this connection, I would strongly urge the sinking of tube wells in parts where the facilities for canal irrigation are not available. In the Punjab, Messrs. Ashford and Brownlie have rendered valuable services in providing improved tube wells, which not only supply an abundant supply of water, but in places where, for sanitary purposes, the need for lowering the water level is desirable these tube wells have been found to be very useful. In Amritsar, the Canal Department is working their tube wells by means of electric motors. They utilise their canal for the production of necessary electrical energy and pump water from these tube wells, thus releasing canal water for its useful service elsewhere where it is much needed. The hydro-electric scheme is a success in Amritsar, and in India it has, before it, great possibilities. In the United Provinces, there is a very great field for its introduction. I would strongly urge that Government help be extended to owners of estates by way of loans to introduce the scheme in their estates, thereby securing them from fear of drought.

"This brings me, my Lord, to the question of the speedy means of transporting the produce of land to trade centres. Railways have come in very handy to meet this necessity, and, though the gigantic war has curtailed the programme of extension in this direction and naturally it should have been so, as all our energies must be directed to the speedy and successful termination of this gigantic struggle. We must have as feeders to the Railway a system of good *pucca* roads to link up important towns and villages to railway stations.

"Though this great war is dislocating many things, but the necessity of increased facilities of rolling stock is keenly being felt. A railway journey brings one across railway stations with platforms and goods-sheds overcrowded with goods awaiting to be railed, and in many cases exposing the traders to loss and a good deal of damage. This demonstrates without contradiction that the demand of goods wagons is very great and their supply comparatively far short of the necessity. This state of affairs must naturally affect the railway earnings. The levy of higher rates has brought in better revenue, but a good deal of this must have been contributed by the debit entries from one department to the credit of the Railway. I refer to the expenditure incurred in the transport of military stores and troops, thereby adding to the railway earnings. The service of the railway for transport of troops, etc., was rightly demanded by the unique exigencies of the State, but if the demands of the trade could have also been met with, the railway earnings would have been still higher. On the other hand, the industrial enterprises of the country have suffered for want of fuel. The price of coal has more than quadrupled and, on the top of this, difficulties of the supply of wagons has to be faced. It is therefore gratifying to see in the Financial Statement that provision has been made for the increased supply of the rolling stock. I wish something more had been allotted than what is provided under this head, but perhaps the want of the necessary material for their construction is responsible for this, and during this great war one must put up with these inconveniences.

"The Right Hon'ble the Secretary of State for India has been in our midst for close upon three months, and has received many representations concerning the administrative reforms needed in India, and these must be receiving the necessary attention at the hands of the Government, but before any real step could be taken in this direction, the necessity of educating the would-be future electorates is a very real one. The generality of the masses of India are to a great extent illiterate, and steps to remove this illiteracy of the people have to be taken. We must teach the people the rudiments of the three 'R's' and for this the primary education of the country must demand the urgent attention of the Government. I am glad to find that 30 lakhs have been provided for this purpose, but the provision to my mind does not seem to be adequate and requires to be supplemented. I would strongly urge upon your Excellency's Government the necessity of giving larger grants for education to remove the general illiteracy of the people.

"We Sikhs are tackling this problem amongst our community and are doing what our limited resources would permit, and I would beg your Excellency's Government to give greater help to the community which, in services to the Empire, is not in any way behind its sister communities. The community, owing to its endeavours in this direction, deserves encouragement to a greater extent to ameliorate its backward educational condition. I quite understand, on the other hand, that it is necessary for us to conserve our resources for the needs of the Empire as a whole, but the education of the masses is a matter which demands your Excellency's kind consideration.

"The Hon'ble Sir William Meyer has referred to the approaching close of his career as a Finance Member. One really sympathises with him in the stupendous task that he has had to face during the term of his office. Uneasy lies the head that wears a crown, but I would say that the case of the Finance Minister is still harder. He has to use all his ingenuity to make two ends meet, and touch as lightly as he can the pockets of the people and keep all sides satisfied. It is therefore a matter of very great congratulation for Sir William Meyer that, in the difficult times that have confronted him during his tenure of office, he has steered the financial bark of the Government of India most skilfully and with thorough success. He has not added, to any great extent, to the taxation of the country, and with the means at his disposal has placed on behalf of India not an insignificant amount of £100 millions at the disposal of the Empire. I am glad that with all the pressure on the financial resources of the country he has left the land income free as it has hitherto been. The land, my Lord, is bearing the largest share of the Government demands, and it would be unwise to add to the burdens that the land-owners have to bear.

"We are sensible to the good qualities of head and heart of our Finance Member, and India owes him a debt of gratitude for the most able and sympathetic administration of the department under his control, and I can say, and say it with confidence, that Sir William Meyer will always be remembered by the peoples of India with feelings of deep respect and gratitude for his able management of the most important department of the Government of India. We may have differed from him in some respects, but all the same our regard for him is in no way diminished, for he possesses the qualities of head and heart which are essential for a good administrator. In wishing Sir William Meyer our heartiest good wishes one does not help feeling with regret at the short span of the official tenure of these high offices. On behalf of my Province I offer the retiring Finance Member our heartiest congratulations for the most able discharge of his high responsibilities, and wish him all the happiness in his well-earned rest."

The Hon'ble Mr. Khaparde:—"My Lord, the Financial Statement that we have been discussing is, really speaking, a War Statement. We read about the war from almost the first page to the last, and I may without exaggeration say that in almost every paragraph something is said about the war which has influenced us either adversely or for the better. For the 'better.' I use this word with some deliberation. For the better I say in that some principles have been carried out for which we have been fighting for a long time. One of these principles, which has eventually been put in paragraph 68 of the statement of the Finance Minister, is that balances derived from loans, etc., have been allowed to remain in the Banks as long as possible, in fact, until they were actually required or until the Banks themselves requested that they might be withdrawn. This has for a long time been felt to be necessary, and in that view what are called independent treasuries were always condemned. I always thought that maintaining a treasury where money was brought and locked up for a long time and kept from better use was a mistake, and I am glad that the Hon'ble the Finance Minister has availed himself of this balance and let it become useful for the trade of the country until actually required. I trust that these independent treasuries will gradually diminish and finally disappear and eventually, if the Government has balances, they will be lodged in the banks and will be always available both for trade and for the purposes of the administration as they are required.

"This brings me, from my point of view, to another subject which is of great importance also, namely, that the large balances that are maintained in England on account of India, all our savings and whatever we could keep back here, have always travelled to England, and I am very glad in this respect that the necessities of the war have compelled us to keep our money here and arrange, as well as we can, to pay off our obligations in England by Treasury Bills or by drawing cheques or by any other arrangements without actually sending the cash out of the country. Fortunately for us also this year the money at the disposal of the Secretary of State has been so much that he has not had to sell Council Bills, not at least for the purpose of meeting his establishment charges or his necessities. More money has been there with him, and for the first time, I believe, this has prevented him from doing a thing which always used to be looked upon as a sort of standing joke. I am told that at Aden Arab boys come close to the steamers and when you try to throw them a rupee they say 'rupee no good, throw us a shilling.' This bad reputation of the rupee has definitely disappeared, and it is now not only worth 16 annas but a little more. To such an extent is this so, that it has caused the consideration of a problem which has never arisen before and which has arisen now for the first time, especially when silver sells really for more than it did, whether the coin is to be maintained or what is to be done. As a remedy I am glad that the Mint has been established and this Mint, when it comes into full working order, will operate, I think, very strongly in solving all those problems of exchange which have been agitating the public mind for a long time. If our currency here is gold and Government mint gold, then the difficulty of sending for it across the seas entirely disappears, and India will buy in gold and will be paid in gold also, and this troublesome problem of exchange, which has been weighing on the public mind for a long time will, I think, in course of time disappear. Another good that has come out of it is that to which I referred in the beginning of my remarks, namely, that Indian balances and monies raised by us here should be kept in the country and not sent out to another country. That has also been solved by this question of the opening of the Mint. For the purposes of this Mint we will necessarily have to buy gold; silver necessarily will occupy a secondary place, and the charge which has been levelled against us before that India hoardes gold and that we are very fond of getting hold of gold coin and burying it will lose its force. Somebody said that in Australia they are digging gold out of the ground, and that in India we are burying gold in the ground as a sort of counterbalancing measure for the numerous mining operations that are going on elsewhere. Like all countries India absorbs a certain amount of gold and Indians, in common with all other members of humanity, store a little gold as a provision for a rainy day, but they do not possess a particular passion for burying it. That fallacy has been exposed, and I believe will be exploded entirely when this Mint will be working in Bombay for some time.

"Whilst I am speaking of these balances in the hands of the Secretary of State, I wish to submit that the reserves on account of the Paper Currency that are now kept in England should be transferred to India. One advantage of that would be that they would be lodged in the Banks here, so that the money will be useful for trade, and the difficulty about the condition of markets and about the shortage of money and so on will disappear. It is true that we require money only during particular seasons and security at other seasons. That is so, I believe, all the world over to a certain extent, though more so in India because we are all agricultural people, and at one particular time of the year we have got to pay our land-revenue, meet the demands of moneylenders, meet all our liabilities and also make provision for the rest of the year. So money is required at one time very urgently, and as a result of this shortage of money, we have to sell cheaper than we otherwise would if all our resources were here. If all our resources were available here then they would give it so much use and this periodical difficulty of our having to sell cheaper than we otherwise would, would disappear, and Government as well as the banks would have more money to give.

"There is a further matter on which my friends have been congratulating, and rightly congratulating, the Hon'ble the Finance Minister, and that is the

provision he has made for Education. I congratulate him also, though I submit that the provision is very small. It need not have been small on account of the war, because I look upon Education as really a war measure. The more people are educated, the better soldiers they will make, and in respect of this I would submit that we should spend a little more money in making the military service more attractive. A complaint has been made here that soldiers only get Rs. 11, and that is not sufficient. Of course it is not sufficient, and I think if we want to make it worth while for the best kind of people to go in for military service, we should raise their pay and status. And in order to afford facilities for their higher training in military knowledge, something like an Indian Sandhurst might be established where officers could be trained. In that way this will be not only an educational measure but also a measure of protection against war.

"My Lord, whilst thanking the Hon'ble the Finance Minister for providing for Education, I humbly submit that the provision he has made does not go far enough. I should like to have seen 4, 5, 6, 8 or 10 times the money set apart even in these days of war and stress.

"I have no further observations to offer. In conclusion, I also very heartily desire to be associated in congratulating the Hon'ble the Finance Minister upon the nice budget which he has presented. Usually the budget makes dry reading, but in this year's budget I find something to linger over, something to read and something to understand. Though my acquaintance with the Hon'ble the Finance Minister has been a short one, still I regret quite as much as anybody else in this Council that his connection with India will be severed soon. I trust he will retain his interest in us in his retirement and continue to give us the same advice and the same care that he has given us here."

The Hon'ble Rao Bahadur B. N. Sarma :—"My Lord, it is with great pleasure that I rise to congratulate the Hon'ble the Finance Member upon his rare good fortune in earning the good-will and the hearty good wishes of the people of India under exceptionally trying circumstances; and it is with peculiar pride that I rise to do so because I recognise that it is a Madras officer who has earned such distinction and his title to be considered one of the ablest financiers of our times. He has truly earned the gratitude of the people of India in that he has withstood all temptation to win a cheap popularity in certain quarters and stood by the country and defended the country's interests against obloquy, slander and malicious statements. We can never therefore forget what he has done for us, and we hope that when he severs his connection with us, he will still continue to take an interest in the affairs of India and try to promote its financial and economic prosperity.

"My Lord, there are so many good features in this budget that it would take a very long time to deal at any length with all of them. For two reasons I shall only allude to the more prominent of them. One is the time-limit and the other is that it is perhaps needless to remind the Government of India of the excellences of their schemes and the critical attitude that is generally forced upon us involves us in a discussion of what may perhaps be said against the schemes that may be proposed by the Government. The features upon which the Government is to be congratulated have been dealt with at some length by the Hon'ble Members who preceded me. One of those features is, that we are not going to be taxed further. Another is that we have made a new departure in undertaking to provide money by treasury bills. A third I would put as the departure to undertake raising loans in India for the purpose of discharging British liabilities and British debts. A fourth feature, which is an even more important one, is the recognition of the need for the differentiation of Provincial from Imperial finance. And last but not least is the recognition and partial introduction, owing to the pressure of war, of democratic methods in financial administration. The higher functions of Government have not been confined solely to the keeping of peace and order in any country. So much being said, I only hope that the departure which has been rightly undertaken this year in bringing on the discussion of the Financial Statement at an earlier stage will

result in some fruit. I hope that the united wisdom or unwisdom of the non-official Members—official Members cannot help us because rigid discipline prevents them from taking part in the discussion—I hope, I say, that the united wisdom or unwisdom of all the non-official Members will induce the Finance Member—for after all the Finance Member is the Government of India in this particular matter—to change in some slight degree what I suppose he conceives to be the only possible Financial Statement that can be presented by the Government of India in the present year.

"My Lord, I may characterise the present Financial Statement as the usual orthodox statement modified by the pressure of War—a Service Budget, a War Budget—a tradesman's old East India Company's Budget and not a People's Budget. Travelling back over the history of finance during the past many years one noticeable feature has been that no Government of India, no Finance Minister, has ever come forward with any proposals before the Legislative Council for raising money, either in the shape of taxation or otherwise, for education, sanitation, or what may be called the social reforming side of governmental activities. It is a question always of throwing the crumbs for the above purposes. Money may be raised for service needs or for army needs; if it is a surplus budget, some little money may be forthcoming for the needs of education and sanitation and such services are thus satisfied from time to time. But there has been no definite policy of asking the people to associate themselves with the Government saying to them 'We will raise so much money for the definite purpose of improving and organising your resources, intellectual or economic: will you agree to our proposals?' I hope that a departure will be made in this direction. I understand the difficulties of the Government. All foreign Governments are generally afraid to tax the people except to keep peace and order and do only so much as is absolutely necessary for the improvement of the condition of the people consistently with the security of their position. I hope that the new Councils will enable a departure to be made; and apart from that I hope the Government will take the sense of the country. The reformed Councils which will necessarily be larger in numbers will be able to cope with these large questions and to decide whether the people are willing to tax themselves for general purposes of the kind that I have referred to.

"Then, my Lord, I said this was an orthodox Budget. I need hardly refer to the various vicissitudes which the finances of the country have had to undergo owing to the Government embarking on a policy of purchases outside India and in India for the Imperial Government. That was accentuated by the war and nobody complains and nobody has a right to complain about it, except to draw the attention of the Government to its abnormal character, for it may be that that precedent will be pursued unless it is carefully safeguarded.

"Then one other point, I would like to draw the attention of the Council to in this connection is, that the Government does not choose to depart from its customary policy of always budgetting for a surplus by under-estimating the revenue. I appreciate the difficulties during a time of war, but my criticism is a real point, because during the last 20 years, except during three years, from 1898 to 1918-19, we have always budgetted for a surplus. The surplus amounted to as much as 52 millions. There were only three years in which there was a deficit, and one was 1908-09 when there was a worldwide monetary crisis, and the others were 1914-15 and 1915-16 when this war overtook us. That shows, therefore, that it was not merely the vicissitudes of the season that were responsible for these surpluses, but the fear that a deficit might land the Government in very great difficulties. I hope that the new Treasury Bill system which has been introduced and which has to be safeguarded from abuse (I shall allude to this later) will obviate the necessity for budgetting for large surpluses thereby avoiding the need for taxation until it is demonstrably proved that taxation is the only alternative open to the country and to the Government. Another point to which I would invite the attention of Council is one which has already been referred to by speakers on previous budgets, and it is that revenue is being utilised in this poor country towards capital expenditure. Of course in a particular year when the

money cannot be otherwise raised or when the surplus revenue cannot be usefully employed, it may be that revenue should be spent over capital expenses, but I hope even then that there will be a separate account, a loan account, with or without interest ; because, my Lord, unless that is done we shall not know how much taxation proper has been utilised for capital purposes which should come really under a different heading altogether and not under revenue.

"One thing which makes one somewhat sceptical with regard to the general currency policy of the Government is certain disclosures made during the course of the war. England is a very wealthy country. She has asked her people during these years to produce as much as possible for export, to reserve and conserve the resources of the country by reducing the imports ; but our Government found it necessary to discourage exports and regretted that the imports have not been heavy because their financial equilibrium was rudely disturbed in undertaking the continuous solution of the exchange problem on an artificial basis. I quite appreciate the difficulties but still this is to be said, that though money has been intercepted the result of this policy is that currency has been inflated. The net excess of exports of merchandise in 1915-16 and 1916-17 was 40 millions and 54 millions, as against 55 millions and 53 millions in 1911-12 and 1912-13, so that that is not an abnormal feature. A foreign trade of 431 crores of rupees was managed in 1913-14 with a currency of 183 crores metallic and 69 crores paper, whereas a trade of 410 crores, or 21 crores less, found a difficulty in being managed even with a currency of 250 crores metallic, an addition of 67 crores in two years and 35 crores additional paper. The object was to minimise the imports of gold and silver as far as possible, but has the Government succeeded in that policy ? In the years 1911-12 and 1912-13, as I have said there was a net excess of exports of merchandise of 55 and 53 millions. The total import of gold and silver did not then exceed 45 million pounds, whereas in the two years 1916-17 and 1917-18 you had to import for currency purposes exactly the same amount, 45 million pounds, or 67 crores of rupees; and besides this there was 14 crores of rupees imported on private account. Therefore, I do not see that the object Government had in view except in respect of gold has been achieved. High prices have been the result ; there was an inflation of currency, and I am not quite sure as to whether the disturbance of the normal channels of trade has had the effects desired by the Government, except for a temporary period. It would have been a very good thing if the people of India could entrust their money on a loan account; certainly we are bound to do so and we wish to assist the United Kingdom; and it is unfortunate that the Government of India have had to resort to these expedients. It seems to me, therefore, that the time has come to investigate the need for and the location, first of all, of the Gold Standard Reserve, and the desirability of a revision of the currency policy of the Government ; and the latter has been facilitated to a certain extent by the opening of the gold mint in Bombay. With regard to the Gold Standard Reserve, my Lord, I make the suggestion that this might be utilised for reducing the debt for this reason. During the war at any rate it would be next to impossible to expect the United Kingdom to repay the debt. Our exports are bound to be in excess of imports, and so no question of exchange is likely to involve us in difficulties. If the Government should insist upon their old gold standard policy the money might be utilised meanwhile in discharging the British debt thereby reducing the interest charges, on condition that it should be restored, if necessary, when peace returns. The Chamberlain Commission gave the reason for the location of that gold standard reserve in England that if the reserve were kept in India it would have to be removed to London to be used, and that this would involve delay, and they said that there was absolutely no danger of this reserve being looked upon as a London reserve by the Bank of England. But exceptional circumstances have proved that the fears that were entertained were not altogether unjustified, and it has also to a certain extent proved a source of danger to the Government in England. A survey of the trade of India during the past many years also shows that India has always had an excess of exports and with the advancement of agriculture, and manufactures, she is bound to have an excess of exports over imports, and the problem as to whether the gold standard reserve should be kept on those lines deserves investigation at an early date.

"The organization of the banking system and the financial resources of the people are problems which, I hope, the Government will undertake as soon as war conditions permit. The war loan has been such a great success during the last few years shows what immense confidence the people of India have in Government initiative and Government credit and under the guidance of Government officials I am sure sufficient capital will be forthcoming for all industrial expansion, and let me hope, agricultural expansion also. The expansion of the currency policy and the possibility of a two-third safe investment in securities prove also the elasticity of our resources.

" The last suggestion that I would respectfully make is the provision for the discharge of future financial obligations only in India, whether in the shape of interest charges, salaries or pensions, or the purchase of stores or facilities for the payment in the United Kingdom being only optional. The centre must be removed to Delhi from the United Kingdom. The need....."

His Excellency the President :—" The Hon'ble Member has taken two minutes more. I thought he was coming to a close, but he might now conclude his peroration."

The Hon'ble Rao Bahadur Sarma :—"The need for ship building programme is absolutely necessary. There is the principle of the indigo trade being taxed for a certain purpose and that may be taken as a precedent for undertaking any expansion that may be needed in that direction.

" And lastly, the only point I would ask your Lordship to permit me to state is with regard to the reference that was made here that Madras had not done well in the War Loan,—it is only if your Lordship will permit me to refer to it....."

His Excellency the President :—" You might let it alone."

The Hon'ble Rai Sita Nath Ray Bahadur :—" My Lord, before proceeding to say a few words on the Financial Statement, I would crave leave to offer my hearty and respectful congratulations to the Hon'ble the Finance Member on his parting prosperity budget, and the successful way in which he has been able to find out means for the prosecution of the war, without recourse to any additional taxation. 'Let not him that girdeth on his harness boast himself as he that putteth it off'. And as he has presented to the Council his last Financial Statement and we are now able to judge him by his actions, we can assure him that he will carry with him, in his retirement, the gratitude of India in having steered the bark of his department clear of those rocks-ahead on which policies and reputation are often wrecked. He has laboured under peculiar difficulties and disadvantages due to the world-wide war, which has dislocated trade and fearfully increased expenditure. War is writ large on every page of four of the five Financial Statements which he has presented to this Council, and the necessity to conserve our resources, as much as possible, has made him minimise expenditure on social reform and capital outlay. But he has always shown his eagerness to avoid the imposition of fresh taxes and has kept before him the ideal of graduated taxation. True to the interests of India which has touched him with her magic wand and faithful to the salt he has eaten, he has served India with a love and devotion which will not be forgotten by a grateful people. He has served India at a most critical period of her history and served her faithfully. In him the Government of India loses an honest and honourable officer, India a true well-wisher and many of us a sincere friend.

" My Lord, under the new rules we are precluded from discussing matters which fall outside the Financial Statement. I can very well realise that at a critical time like the one we are passing through, we should not embarrass the Government of India with requests for increased grants for Provincial purposes. But the practice of allowing Members to unfold their tale of grievances in this Council once in a year was on the whole wholesome and, I may add, useful. For even at the risk of being charged with having developed a dangerous degree of provincial or parochial patriotism, I must say

that we are the representatives of provincial interests, and it is our duty to safeguard those interests and draw the attention of your Excellency's Government to the needs and requirements of our respective provinces. The necessity of drawing the Council's attention to provincial matters has been somewhat aggravated by the Government of India's decision to live away from centres of mercantile activities and public life . . . . "

His Excellency the President :—" I think the Hon'ble Member knows that he is off the lines. Will he please get on the lines again ? "

The Hon'ble Rai Sita Nath Ray Bahadur :—" My Lord, I bow to your decision and proceed to say a word or two on the present crisis.

" My Lord, we are passing through a crisis. The Empire is engaged in a war that civilisation is waging against Prussian militarism and brute force which are a menace to peace and progress, and an onerous burden has thereby been thrown on our shoulders. Ways and means must be found to bring the war to a successful issue, and we, as citizens of the Empire, must strain every nerve to achieve that end. Considering these, and not wishing to embarrass the Government at this juncture, I refrain from criticising in detail the several heads of the Statement, though I must say I feel a little disappointed to find that with the exception of a grant of 30 lakhs of rupees for the development of primary education there is very little provision in it for social reform or the development of any beneficial service. The amount provided for primary education is to be distributed among the Provinces. At a time when the 'torch of knowledge is lit for all' and it is borne in mind that in India the percentage of literacy is so low as about 10 in males and 1 in females, it is somewhat disappointing that the Government should make such a small provision for primary education. The mass of Indian ignorance is appalling. The people are eager to take advantage of primary schools wherever they exist, but their number is few and far between and equipment deplorable. In Bengal, in 1916-17, the number of primary schools for boys was 31,617 with 1,124,468 pupils. The expenditure on them was Rs. 37,40,699, of which Rs. 17,95,596 was from fees. The amount which came from the students represents the desire of the poor people for education. It will appear that for 31,617 schools the Local Government and the local bodies between them paid only Rs. 19,45,103 or a little over Rs. 5 per school per month. Is this enough to attract really competent men to diffuse the fertilising waters of intellectual knowledge from their great and copious fountain-heads by a thousand irrigating channels over the whole length and breadth of the land ? I, therefore, respectfully plead for an increase in the grant for primary education and together with it a suitable grant for commercial education, if it is possible to do so at a juncture like this.

" It is a truism that if a country has to solve her poverty problem she must make necessary arrangements for the progressive development of her manufacture and commerce. We are lamentably wanting in all that leads to the establishment of prosperous industries. A carefully-organised system of commercial education is a prelude to successful industries and a necessity in a country which has immense possibilities of industrial and commercial development. In India we have only one commercial college worth the name. It has recently been established in Bombay through the exertions and enterprise of the growing and prosperous commercial community there. I am glad after long deliberation my *alma mater* has in this matter made a move in the right direction. The Calcutta University is now drafting regulations to provide for examinations in agriculture, technology, and commerce. It is certainly a significant sign of the times. But an institution like the Calcutta University which, in spite of the post-graduate classes, is mainly an examining body with its hands already full, cannot satisfy the growing needs of the country in this matter. And I, therefore, respectfully plead for a capital outlay and a recurring grant from the Government of India to provide commercial education in various parts of the country.

"Sanitation is a head which has received but scanty recognition; but with the plague decimating the population, and malaria no longer the monopoly of Bengal, it deserves more attention.

"My Lord, it is to be regretted that the expenditure on railways is so small. As a merchant myself I feel keenly the hardship and loss which continued shortage of waggons has entailed on the country. On account of wagon-shortage and other causes the supply of coal has become so irregular and unreliable that mills and factories are in constant danger of being obliged to stop work, and colliery-proprietors are, in many cases, the worst sufferers. I, therefore, welcome the decision of the Government to encourage the construction of railway waggons in India, and wish the project every success. At the same time I would advocate a more vigorous policy in the matter, so as to relieve the congestion of traffic as early as possible.

"My Lord, I join with my Hon'ble friend, Sir Fazulbhoy Currimbhoy, in raising my voice against the impending legislation to prohibit the raising of capital for joint-stock companies, large or small. The opportunity given to India by the war, which has shut out almost all imports from Europe and America, has raised new hopes in our minds and given us a stimulus for the development of our resources. People have been eagerly looking forward to the promotion of joint-stock enterprises, to capture the trade of enemy-countries with India. Here is our opportunity. And we cannot but regard a prohibition to raise capital for industrial enterprises at this time as undesirable—if not prejudicial—to the interests of India which are the interests of the Empire.

"My Lord, I congratulate the Hon'ble the Finance Member on his wise decision against the issue of premium bonds. A deviation from the ordinary methods of raising money in this country would have created a flutter in the dovecots of speculators and spread all sorts of rumours throughout the whispering galleries of the East.

"With these words, my Lord, I resume my seat."

The Hon'ble Mr. Sastri:—"My Lord, the Hon'ble Sir William Meyer has received many expressions of personal esteem. I will add mine, and beg him to accept it as not less genuine than the rest. Sir William has been a tireless watcher of India's treasury as well as of her public weal. Cruel domestic sorrow, exceptional difficulties in office, and criticism, undeserved and in some cases unduly harsh, have added to his burdens and cares, but through them all he has pursued his duty unflinchingly. This Council will not be in Session when he retires, and it is therefore fitting that some of us should say to him that when he is in retirement he will be attended by the grateful recollections and kind thoughts of a people whom he has served faithfully and loved well. This budget, in spite of the difficulties confronting it, is as satisfactory as it may well be; but when I have said that, I must ask the leave of the Council to grumble a little in exercise of the constitutional right of a citizen of the British Empire. There has been, as is remarked on page 76 of this Financial Statement, a great deal of distress to the poor on account of the rise in prices. Now there are several causes for this rise in prices. There is a world movement, in which India is obliged to share. There is besides the complication produced by the war, but over and above that there is the element of difficulty added by the Government's own action. During the last two years there has been a very great inflation of the currency of this country, amounting on some estimates to about 100 crores, nearly 50 in coinage and about as much, or somewhat less, in the shape of paper. Whatever that is, this great addition to the currency of the country must have contributed its own share to the distress of the people. I do not say that this could have been altogether avoided, but I do say that this ought to be borne in mind by Government in adjusting their future financial arrangements. They have got to remember that the poor man in this country, poorer than in most other countries, has likewise to bear always the whole weight of administration on his back. Other people cry aloud for relief in this matter, relief is afforded to them, but always and inevitably at his expense. I will therefore ask that the present Finance

Minister, and the Finance Minister who succeeds him, should glance an eye of pity on his burdens

'Which have of late so huddled on his back;
Enow to press a royal merchant down,
And pluck commisseration of his state,
From brassy bosoms and rough hearts of flint.'

"I will mention to your Excellency two matters in respect of which Government have to adopt a policy of great care and tenderness for the people. I will mention in the first place salt. But before I go to salt, let me say that in the budget of last year that we listened to there has been a tendency to under-estimate the revenue. This has been brought forward to-day as an adverse criticism. I do not mean it exactly in that sense; I recognise the exceptional difficulties of the situation and will not blame, but I wish to draw attention to the circumstance that the under-estimate seems to go throughout. If the revenue has been under-estimated, so has the expenditure been. For both last year and this I find that the Finance Minister has had to face two or three millions, this year four millions, of additional expenditure under the head of Military. But this under-estimate seems also to extend to another thing. When he imposed taxation, he meant it to raise a certain amount both last year and this, seven millions, but he has got a good deal more, a little over nine. On striking the whole balance it appears as though it were possible to have managed the whole of this business without imposing any additional taxation at all on the people. For I find that during these two years there has been an increase under revenue only of about 22 millions and on expenditure there has been an increase of about 9 millions odd. It might have been possible—with prescience may I say—not entirely beyond human reach, it might have been possible to adjust the whole thing without additional taxation. I am mentioning this merely to enforce this point—that it might cause Government to pause before they take further measures in the way of taxing people either directly or indirectly.

"Coming now to the head of salt, the Hon'ble Sir William Meyer has been obliged to impose some slight taxation in addition to the taxation that salt bore already. Now, I do not object to this either, but I do object to another thing in connection with salt. Owing to the shortage of transport facilities and owing also, I fear, to the combination amongst salt traders throughout the country, there has been an increase in the price of salt to the poor far in excess of what might be justified by the advance in the salt duty. And, as Government own the salt in this country and enjoy a practical monopoly of that necessary article, I think the duty rests on Government of making available, by whatever measures may be reasonable, to the poor throughout the country, this necessary commodity at as small a price as may be, considering the duty imposed on it. Both in Madras, within my knowledge, and elsewhere in the country there has been much distress caused both by lack of salt and by its excessive price. The matter requires very close attention, and I hope the Government will give it.

"The only other point to which I wish to draw attention is the difficulty placed in the way of the poor in railway travelling. In this matter, though it is indirect taxation, Government have to remember that their policy during all these years has generally been to make travelling easy to the poor. Their policy, pursued without interruption, has been to make travelling as cheap as possible and to cause a reduction further and further in the fares. But, unfortunately, during the last year, the Railway Board have advanced the fares considerably. They first of all in the year 1916, in the month of December, cancelled a large number of passenger trains, thus restricting the facilities of travel. Not content with that, as another measure for restricting passenger traffic, they made an addition on the fares. In March 1916, again, they went on to raise the maximum fares on all the broad gauge lines on their third class. Then they said, wherever the fares were less than two-thirds or were only two-thirds, 25 per cent. of this two-thirds should be added, so that on all other lines as well the fares were worked up to five-sixths of the maxima. Then the railway lines abolished all the concessions.

One need not mind the abolition of the concessions in the case of first and second-class passengers. But there are a number of students in our educational centres who travel in the third class at concession rates. The abolition of those concessions must have added considerably to the difficulties of the poor. But there is another thing that I do not quite understand. They have abolished also the sliding scales, according to which the fares were calculated on all the classes, so that now people pay uniformly at three pies or three and-a-half pies per mile, whereas formerly they would have had to pay at three pies or three and-a-half pies for a certain distance and at a lower rate for the balance of long journeys. This sliding scale has now been abolished, thus adding also greatly to the fares. But besides that, another step has been taken which must spell greater hardship to the poor in the future. They have raised the maxima of fares on all the lines up to about 33 per cent. on all the classes; in the case of the third class and the intermediate class, these additional fares are to be put on only for mail and fast trains. All the same, this is an addition which they have taken power to make, and one fears that perhaps these new maxima will also be soon worked up to, thus adding greatly to the difficulties already placed in the way of the poor in railway travelling. Now it seems to me that that is a method of indirect taxation which adds greatly to the revenue but presses hardly on the poor third-class travelling public. In this respect also I think that, with the surpluses with which we have been working our budgets for the last two years, it is possible—in fact I think it is highly desirable—that Government should look into the matter and, as soon as possible, restore the facilities that the poor have had for railway travelling."

The Hon'ble Sir Dinshaw Wacha:—"Your Lordship, I will not travel over the same ground which has been traversed by so many of the speakers who have spoken before me. I think in a way they have actually travelled from China to Peru; if not from China to Peru, at any rate from the Himalayas to Cape Comorin. We have heard all sorts of suggestions and all sorts of grievances which are mostly what are called hardy annuals. There is agriculture, there is education, there is sanitation, and all the rest of the compass. But, my Lord, I do not mind all these suggestions and grievances that have been put forward. Now that we have changed our rules, it is only right to see that every Member of this Council has the privilege of bringing before your Excellency and this Council his own grievances. It is a miniature House of Commons now, I suppose. That is to say, grievances are heard before supplies. I do not know whether my Hon'ble friend, Sir George Lowndes, will say yes to it, but at least I consider we have a mimicry of it.

"But apart from these and other little matters, I may say, my Lord, that I do associate myself, as far as Commerce and Industry are concerned, with most of what has fallen from the Hon'ble Mr. Malcolm Hogg and from the Hon'ble Sir Fazulbhoy Currimbhoy. I agree generally with them in many respects; but I am sorry to say that I cannot agree with what has fallen from the Hon'ble Mr. Sarma. He said that surpluses are induced by simple under-estimates of revenue. The Hon'ble Mr. Sarma forgets that the surpluses are more or less due to railway finance. If he only studies the surpluses that have been yielded by railways since 1904-05, he will see that they are no doubt in an ascending ratio. He should know that from the date of the construction of the railways up till that time, namely, 1904, most of the railways were a losing investment as far as the State was concerned. I remember, your Lordship, when giving my evidence before the Welby Commission that I had brought to their notice this particular fact of the loss of the railways. From 1848 they were losing at the rate of one crore per annum, but it was owing, of course, probably to the guaranteed system of railways that the Government lost a great deal, but there was no help for it. These guaranteed railways were formed at a time when there was an absolute absence of any sort of private enterprise in India. So that these surpluses are not entirely owing to an under-estimate of revenue. I admit that in all great countries and great States, however capable their Finance Minister may be, there is always a little under-estimate of revenue and a little over-estimate of expenditure. I have to discuss these points of under and over-estimates almost

every year before my Municipal Corporation, but I believe it is the case everywhere. Whether it is the Provincial Government or whether it is the Local Government, or whether it is the Imperial Government, or whether it is the United States of America, France or Great Britain, it is all the same over and over again. Of course, if the under-estimates are such that when the next year's actual accounts are before us we find there is a great difference and a large percentage of increase in the surplus, surely we can trace the cause. This point also I brought before the Welby Commission in my evidence, and I put down in parallel columns what was the budget, what was the revised estimate, and what was the actual account; and, I think, I convinced Lord Welby and his colleagues at the time that there was a good deal of under-estimating. I, however, do not think that since those days there has been the same under-estimating, as has been attributed to the Government by the Hon'ble Mr. Sarma. But I will not say anything more on this point since I have very little time, and the clock, like the finger of fate, points onward fast to 5 o'clock. I must finish soon my little harangue.

"Then, the Hon'ble Mr. Sarma spoke next about Treasury bills. No doubt Treasury bills are a form of raising loans; but if the Hon'ble Mr. Sarma thinks that these Treasury bills can achieve miracles for the Finance Minister I say he is greatly mistaken. It is true that Treasury bills are another form of raising loans, but if he means to say that taxation is saved by means of Treasury bills he is entirely wrong; for even Treasury bills have to pay interest, and whether you pay interest in the form of loans or Treasury bills it is all the same. If you incur loans you have to pay interest on them. If you do not pay interest, and if the Finance Minister finds himself in this box, that he has to raise taxation, he must impose it. Interest charged to revenue is only another form of taxation. Therefore, that argument will not hold water.

"Thirdly, he spoke of currency. I am sorry to say that here the Hon'ble Mr. Sarma is altogether on ground where it is very dangerous to tread, particularly for gentlemen who have not had the benefit of a commercial or industrial career. The mechanism of exchange is, of course, intimately associated with imports and exports; but the statics and dynamics of imports and exports have to be very well understood, and I should advise the Hon'ble Member to read Sir Robert Giffen's book on Imports and Exports and the balance of trade and exchange in order that he may speak with greater authority next time he rises in this Council to criticise the budget. He also seems to forget that it is not only this sea-borne export trade of India that requires to be financed. He forgets that there is something like 800 crores of inland trade which has also to be financed; and that trade values during the last two years have been greatly enhanced, no doubt, by the prevalence of dearer prices, freight, etc.

"Then lastly, both the Hon'ble Mr. Sarma and the Hon'ble Mr. Sastri have referred to the inflation of currency. No doubt when a currency is inflated, it is a great evil. The purchasing power of money then tends to be less or considerably diminished and prices rise. The question is whether the Finance Minister, in expanding the currency for the last two years to a very large extent, has really inflated currency to such a degree that prices have risen partially on that account? That is a great controversial question on which I will not enter; but I take it that when the Finance Minister rises to give his reply, he will have sufficient to say on this very difficult question.

"Having said so much as to the discussion that has gone forward among different Hon'ble Members I now, my Lord, come to one or two other points. If Members of this Council rise one after the other and ask that the grant for education should be increased, that the grant for sanitation should be increased, that the grant for agriculture should be increased, surely it should make the Government pause and think whether they could meet their wishes. It is true that those grants are being annually increased, but they are not being increased in the proportion that we should like to see. But the whole question as to getting additional grants beyond those budgetted is circumscribed by the revenue which the Finance Minister is able to raise by taxation and by other means. Expenditure is limited by income. That is

the whole point. I remember, my Lord, that whenever there is a little big surplus in the Municipal Corporation, of which I am a member, member after member rises and says this must be done and that must be done. If you add up all the different grants they want, they will run into lakhs on lakhs, whereas the municipal revenue is only 1½ crore. The same is the case here. Government cannot shake the pagoda-tree, and pick up *ad libitum* golden coins or shining rupees whenever they want. Government has laboriously to devise ways and means to raise every rupee, India being a poor country. All these considerations have to be taken into account before any valid or sound criticism can be made on the budget. But I say this much, my Lord, that as far as loans are concerned I would put it to the Finance Minister and to other Members of the Council whether the railway surplus which is now being realised can be utilised for revenue purposes after the war. I do not think so. At present there are considerable debits and credits. They are crediting railways and debiting military accounts, for all these things that are being passed from one end of the country to the other. The normal coaching and goods receipts will not be swelled after the war. But I do say that, supposing on an average in future, when the war is over you have a surplus under railways to the extent of 5, 6 or 7 crores, the question which will be raised is this: whether that surplus ought to be entirely utilised for ordinary revenue purposes during the following year as has been the present practice, or whether that surplus should not be ear-marked to diminish the amount of the loan you annually require for railway purposes. If you annually require 10 crores and if you have a surplus of 7 crores, why not take 7 crores as your capital? Then, of course, you will only have to raise 3 crores more; besides, you save the interest on 7 crores. I remember having a talk at one time on this subject with my Hon'ble friend the Finance Minister, and he said that after all it is a surplus which reverts to the State after having paid all railway expenses. That is very true; but what do we do in our commercial transactions? When cotton or jute mill or other factories pay dividend, they set apart a certain amount of money for extensions and developments and to that extent *pro tanto* the loan to be raised is less. Why should not this business principle on which all mercantile firms, all cotton and jute mills and the like systematically set apart a reserve out of their profits be adopted in our budget? I am open to reason, and I hope, my Lord, that when the Finance Member rises to reply he may be able to satisfactorily answer this question. Then, my Lord, as to the railway fares to which Mr. Sastri referred. Perhaps, the Hon'ble Mr. Sastri does not know that before they were increased, railway fares in India were considered to be the cheapest in all the world, cheaper than America. Mr. Priestley, who was some years ago asked by the Government of India to go to America and make a report on the different systems of railway administration, stated it to be so. I do not know what the position may be to-day, but seven or eight years ago when Mr. Priestley reported he said the railway fares for passengers in India were the cheapest of all. If, therefore, for purposes of War, Government is obliged to tax the rich as well as the poor, I do not see why the poor should not pay their share according to their ability. We admit the cost of living has gone up, house-rent has greatly risen, and so on; but if we are to make sacrifices, the poor man must make sacrifices as well as the rich. The rich will of course pay more, but the poor cannot entirely escape. And this increased railway fare is a kind of indirect taxation. Apart from that, Hon'ble Members, I presume, have been reading the railway report each year. What do they find there? Third-class passengers contribute the bulk of the coaching revenue, and on an average they travel once a year and that to the extent of 37 miles. If 37 miles was, say, a pie before and if two pies are levied now, you can compute what is the amount that the poor man has to pay per mile over and above the former fare? That is to say, if he travels at all. That also has to be taken into consideration.

"Then, my Lord, I come on to another question. Much has been said about education and sanitation. I submit, my Lord, that the Government ought to do more after the war by way of education. I think that goes without saying. Government has declared its policy, and there is not the slightest doubt that education and sanitation will be greatly stimulated when better times dawn. But there is one little question I have to ask the Government. Here you are every year increasing your excise revenue. Excise revenue has gone up now to

nearly 13 crores. It may go up to 14 crores. If you calculate this excise revenue per head of the population of British India, you will find that it comes to 8 annas per head. What are you spending on education per head to-day, even according to the new budget?

"If you divide it again by the population (the population of 1911), you will find that they are only paying two annas. So, while you are making people insober by your excise policy and take a heavy tax of 13 crores from them for your drink traffic, you have not the generosity to repay to them to a larger extent than two annas per unit for education! That is not right. If you take eight annas per year from the pockets of the poor, try to put it back in another form in their pockets, that is to say, as productive expenditure, and whatever you spend on education is a productive expenditure; and whatever may in consequence go to diminish thereby the excise revenue will be a great gain, because the more people are educated I am certain that more sobriety will prevail among them, and the mischievous policy of maximum of revenue and minimum of consumption will be knocked on the head, if not to-day, 25 years hence. Having said so much on some of the points of the budget, I will say one thing more and that is in reference to the civil charges. Before, however, I come to the civil charges, I will say one thing more. If the total net revenue and expenditure according to the Parliamentary returns are examined, it will be found that in the last ten years ending 1915-16, revenue on an average has increased at the ratio of 14 per cent., while expenditure has increased at the ratio of 20 per cent. Here is the cloven hoof. If expenditure is increasing and if you do not perceive it, what is the reason? I say you do not perceive it because your railway surpluses are so large that they partially absorb a large portion of the expenditure and still put in the pocket of the Finance Minister a very fat surplus. That is the reason. That is not a sound policy in finance, and I do hope, my Lord, that the successor of Sir William Meyer will certainly bear this point in mind. It is a very important point.

"Civil charges also are increasing to a very large extent, if the ratio of the revenue yielded is compared with the ratio of the civil charges. But unfortunately, the case is this, that in India we have not got the full and efficient machinery to control expenditure and to audit it as it is audited in England. Hon'ble gentlemen who have studied the British budget as I have been doing for years together, will see that there is a memorandum for improving the audit by the Controller of Public Accounts. The audit has gone on for 60 years past or rather 50 years, from 1866. They have a Controller of Public Accounts; there is also a Standing Committee of Parliament, and between them they are taking the greatest care that expenditure is not increased faster than is right and proper, and that the grants are kept well in hand. I do not know how far the machinery here is complete. The Welby Commission did examine this question of machinery, but I do not think they came to any satisfactory conclusion on it. But I do say this, that if in future, even if self-government is conferred and if responsible government is attained, and we are in the place of those who are now sitting on the front benches, then I do say that the first thing that we should do is to have a Controller of Public Accounts and a Standing Committee of Council which would most vigilantly control expenditure Now, my Lord, the Financial Statement that we are discussing to-day has been pronounced in some quarters as neither brilliant nor booming, that it is a humdrum budget. Brilliant it might have been, I think, if the author of the budget had only taken care to invest it with a blaze of glory all his own; and possibly it might have been booming, too, if he had heralded it with salvoes of artillery such as those we heard this morning and drums beating and colours flying. In that case I suppose they will be quite satisfied. But because of the modesty of the Finance Minister who has brought forward his budget in a simple and unadorned style without any sensation, that there is this sort of ignorant, or hostile or prejudiced criticism, forgetting the matter of the thing which is so important. I believe, my Lord, that it is the most phenomenal budget that I have ever known, and I have been a student of Indian finance for the last fifty years, from 1868. I have studied every budget from that date up to this, and I can say with a clear conscience, and nobody will say that Wacha was, of course, indulging in rose water and kisses—I am doing

nothing of the kind—it is my genuine appreciation of Sir William Meyer's financial statemanship that I do say this. I do not know of a single Finance Minister, even Mr. James Wilson, who having regard to our financial needs in his time (1860) had ever such a difficult task as Sir William Meyer has had for the last three years. It is unprecedented. There have been very many able Finance Ministers in the past, Mr. James Wilson, Mr. Laing, the great Treasury man who has left to us a classic phrase in regard to budgets—that 'India is the milch cow of England.' That is the way, of course, in which Mr. Laing is remembered in India. There was Sir Charles Trevelyan, a great friend of India, who because of his opposition to the fresh income-tax of 1860, was re-called. Then there have been Civilian Finance Ministers of great ability, like Sir John Strachey, Sir Auckland Colvin, and Sir David Barbour; but, as far as Indian finance is concerned, none of these in their respective times had to overcome the difficulties of ways and means as Sir William Meyer. I would at this stage point out that Indian finance has passed through three phases. If you take the first period between 1860 and 1880 what do you find? The revenue was small and the sources of revenue were almost inelastic; hardly 40 or 50 crores were raised and at that time public works were famished; there was no such thing as irrigation works, and railways were in their infancy. There was the fight among railway engineers for the gauges, one side saying the standard gauge is the best and the other side saying the metre gauge is the best as being so cheap; and between them a battle royal was fought. At that time, what was the condition of the railways? Any Member of the Council, who goes through a Railway Administration Report, will find that you did not then go beyond 3,000 miles. That was the condition. There were deficits after deficits, and Sir John Lawrence often used to be vexed on that account. It was for the very reason why when provincial governors like Sir Bartle Frere tried to outrun the constable he put a very big foot down on their extravagance; there was no decentralisation, and the Government of India had to sit tight on every pie of the whole country's expenditure. Those days rolled away. Lord Ripon came in 1880 and with him came a very brilliant Finance Minister in the person of the late Earl Cromer (then Sir Evelyn Baring) who regenerated Egypt during his 24 years of brilliant administration as High Commissioner. He was a free trader and so was Sir Evelyn Baring and they thought the best thing they could do was to give India free trade, that free trade by which I fully believe India has prospered. My friend on the opposite side, Mr. S. N. Banerjea, says that we are now all protectionists in India. I may say emphatically that I am a convinced free trader, and I do say that free trade alone from 1880 till 1896 had done the greatest good to India; all the larger prosperity of so many of our cotton mills and the larger jute mills and other factories that have been established in India since 1880 are entirely owing to free trade. Without free trade even to-day despite what protectionists might think, I will unhesitatingly say this: India even to-day is not able to make one single engine of 10 horse power. It cannot make a single boiler; for every little wheel and accessory of all kinds of machinery you have to go to England or to Lancashire. When will India do it? To say that India will be able to make these when she has protection is simply a delusion. Even protection will not do it. It will be by India's own industry, steady perseverance, skill, her greater scientific intelligence and enterprise that she would materially prosper, tariff or no tariffs. Therefore, I do say, my Lord, that the greatest good that Lord Ripon's Government did to India was to give it free trade which brought out all the prosperity which is still growing. Then in 1886 came a political factor which brought difficulties of finance. One should know that policy and expenditure go together in every State. There can be no expenditure without policy, and there can be no policy without expenditure. Each acts and re-acts on the other. There was first the Penjdeh incident whereby the funds of the Provincial Governments were, of course, raided by the Government of Lord Dufferin to the extent of 3 crores. Then came the Burma expedition which cost a large sum of money and for some time the revenues were in a very precarious state necessitating new and enhanced taxation in 1886-87. Then at the same time there was the 'precariousness' of the opium revenue. Opium was the *deux ex machina* of those days, from 1860 until it was abolished by the Anglo-Chinese treaty.

At present the *deux ex machina* is the railway surplus as opium was in former days. That makes deficits and surpluses. If you exclude the railway surplus from your general revenues, what do you find? Instead of having for the last ten years a net surplus of £9 million, you will discover a net deficit of over £6¾ million ....."

His Excellency the President:—"The Hon'ble Member has been speaking for 24 minutes."

The Hon'ble Sir Dinshaw Wacha:—"Yes. Well, my Lord, I thank you for reminding me."

His Excellency the President:—"Now, perhaps, the Hon'ble Member will finish his speech."

The Hon'ble Sir Dinshaw Wacha:—"I will conclude my speech. And, therefore, what I do say is this, that as far as the Hon'ble Sir William Meyer is concerned, he has been really the greatest Finance Minister of the day. It may be said, my Lord, that his budget is a solid budget. It is instinct with financial sagacity and statesmanship. The present budget, specially the 'Retrospect,' will be a light and guide to his successor, and in that way Sir William may be called, in the firmament of Indian finance, the Star of Arcady, that star which in olden times used to guide and light the way of the pioneers of maritime navigation. I mean those sturdy Phœnician mariners who ploughed the Mediterranean, crossed the Gates of Hercules and reached the Cassiterides, in the south of Cornwall, for tin. Well, Sir William Meyer in this sense is really the Star of Arcady. He is leaving to his successor his Retrospect which will serve as a guide and a light which will enable him to shape safely his course of the future of Indian finance. Sir William has steered his financial bark through the dangerous Scylla and Charybdis with the greatest skill, and has brought her to a haven of rest. Let him now rest on his oars. This is the last time that we shall perhaps see Sir William Meyer officially as Finance Minister, and I also cordially congratulate him as my other friends have congratulated him already. In conclusion, all I would say is this: 'Sir William Meyer, thou hast deserved well of India.' With these few words I take my seat."

The Hon'ble Pandit M. M. Malaviya:—"My Lord, the general discussion of the Financial Statement has taken place to-day under the new rule which has been introduced for the purpose. I feel thankful with my Hon'ble colleagues for this change. It is an advantage to have an opportunity of saying what one has to say about the Financial Statement at this stage. But I wish, my Lord, also to say that, in view of the very limited opportunities that are available to Members of this Council to ventilate questions of general importance which cannot be embodied in Resolutions, it is desirable that the one day that we used to have for general discussion, I mean the final day, ought to be still open to us for such discussion. I know, my Lord, that it led sometimes to a great deal of weariness, but we also know that there were opportunities given by it to Members to bring to the notice of Government matters of public interest which cannot conveniently be embodied in Resolutions. But, however, that may be, I hope that, as a result of this earlier discussion of the Financial Statement, some at least of the suggestions which have been made will be found acceptable by the Hon'ble the Finance Member.

"The budget is undoubtedly a War Budget; war is writ large upon it from beginning to end. It is a budget which proves more than anything how closely India and the people of India have been identified with England in the mighty struggle in which she has been engaged during the last three years and more. It is a budget which is framed, as far as was possible to do so, from the point of view of helping England so far as India can help her in carrying on this great war. That explains both the insertion of many provisions and the omission of

certain provisions, the omission of which has been a matter of complaint. It is accepted, my Lord, as a War Budget. If a budget like the present one were introduced in ordinary times, there would have been a great outcry throughout the country. 29 millions sterling to be spent on the army, with an apprehension that more will have to be provided in the future, and so very little provided for those beneficial services which go to increase the social well-being of the people. But, as I have said, we acquiesce in the budget, because it is a War Budget, because we recognise that we have identified ourselves with the cause for which England is fighting, and we have done so because we felt that it was our duty to do so. I hope, my Lord, that this fact will receive full weight in considering what constitutional reforms should be introduced in the government of the country. I do not mention this as a matter of bargain. Far be it from me to do so, but I hope that it will be remembered that out of the little that she had India sacrificed a great deal in a large hearted way and identified herself with England in the struggle for freedom and the independence of nations in which she has been engaged.

"There are some features of the budget, however, to which attention might be drawn, not in a carping spirit, but because they merit attention. In the first place, I wish to join with my friends who have complained that there has frequently been an under-estimate of income in our budgets. This complaint is not confined to the budgets of the last two years as one of my Hon'ble friends seemed to think. It has been a chronic complaint for the last two decades. The late Mr. Gokhale complained of it in 1906-07, and on other occasions other Members too have complained of it. Sir Vithaldas Thakersey complained of it when silver legislation was introduced. The Hon'ble Sir Ibrahim Rahimtoola, whose appointment as a Member of the Executive Council of the Governor of Bombay we have all welcomed, and whom we very much miss in this Council—speaking in 1916 on the question of the increases in the Income-tax and the Salt-tax, said :—

'Looking at it, as a whole, it appears to me that the salt-tax has been levied, as I have already contended, to make up the deficiency in the Tariff Bill due to the exemption of cotton piece-goods from the necessary increase of 2½ per cent. I now contend that the increased income-tax which represents a revenue of £900,000 is to provide Government with a surplus which is estimated at a million pounds.'

As I have said, my Lord, in past years Mr. Gokhale complained that the surpluses of the years preceding 1904 were brought about by a systematic under-estimating of revenue and over-estimating of expenditure. This complaint was also noted by the Chamberlain Commission on Indian Finance and Currency. Sir James Meston was questioned about it. The Chairman of the Commission put the following question to him :—'But looking back on those years with the wisdom which comes from experience would you think it unfair to say that the Government did err a little on the side of excessive caution in their financial estimates,' and Sir James Meston said in reply : 'I must admit they did.' In another place he said : 'The under-estimate was simply a matter of, as you have said, probably exaggerated caution.'

"Now, my Lord, these systematic under-estimates have led to certain surpluses, and the evil of it has been that the existence of the surpluses has deluded the people into the wrong notion that India is prosperous. These surpluses have brought upon us greater burdens than perhaps would have fallen upon us if the fact were realised how these surpluses had occurred. As regards this year's surplus, my friend the Hon'ble the Finance Member budgetted for a surplus of £136,000 only. The actual surplus is 5·8 million. This has been brought about by the inclusion of an additional income of £3·5 million from railway revenue. This increase has partly occurred owing to an enhancement of railway rates and fares. I note the Hon'ble the Finance Member has, perhaps, deliberately not said anything about it, though of course he has included the additional revenue in his estimates. But I submit that this is quite objectionable. Provision had been fully made in the budget of last year for the expenditure on war by the taxation which had been imposed and by other means. This increase of railway fares was not brought about, as my friend Sir Dinshaw Wacha seems wrongly to

have thought, for purposes of the war. The Railway Board say, at page 24 of their last Administration Report, that at a meeting at which the question of reduction in train service was considered 'it was agreed as a general principle that fares on fast trains should be enhanced up to the existing maximum in order to discourage travelling with a view to avoiding undue overcrowding in passenger trains consequent on the reduction in train services.' The Report goes on to say that as the result of another meeting instead of confining themselves to increasing fares on fast trains, they decided that there should be 'a general enhancement of fares.' They, therefore, decided that on the principal broad gauge lines the third-class fare should be advanced to the existing maximum, and on others, where the ordinary fare had been only 2-3rds of the maximum, that it should be advanced by 25 per cent. Now I submit, my Lord, that these fares having been increased, in order to discourage travelling, the matter should be re-examined by the Government, and if it is found that it was really unnecessary to adopt this method to discourage travelling, then fares should not be charged at the enhanced rates next year. It was sufficient, my Lord, to discourage travelling that there was a curtailment of trains. People could only travel by the trains that were running. Secondly, if there was an apprehension that more men might go to the station platform than could be admitted, instructions could be issued not to sell tickets to them; but I submit it was not necessary, nor justifiable, that such an enhancement should have been made in the fares.

"The principle, my Lord, of determining fares has long been established, that a profit should not be made on railways. It has been laid down in some countries in the legislation relating to railways. Belgium, for instance, is one of the countries which has managed its railways best. While we have invested nearly 400 millions on our railways, and have only recently begun to earn a small interest on it, as Mr. Carl Vrooman points out in his book, 'every dollar which Belgium has invested in its State railways, whether for purposes of construction, or for making up of the deficits of the lean years, has been paid, together with the market rate of interest, from the profits of the fat years.' There they lay down as a law that all idea of running railways for a profit must be completely eliminated. And our Government, too, have recognised for the last many years from 1869-70, when the Government started State Railways, that it was with a view to keeping down fares; and Major Conway Gordon, a former Director-General of Indian State Railways, in his evidence before the Select Committee of 1884 rightly said that 'every rupee taken out of the country by an English Company in excess of the normal rate of interest on the State debt constitutes practically a direct tax on transit, which must, of course, have its effect on checking the export and import trade and on the general development of the country.'

"According to this principle, whether railways are worked by Companies or by the State, the fares levied from passengers should cover the working expenses, the interest charges on the capital outlay and a provision for the sinking fund. But the earnings from these railways have been increased lately. I do not complain that they have been; I do not suggest that they should be reduced to the extent that would be suggested by that principle enunciated by Major Conway Gordon, and I submit that there was no justification for the enhancements that were made last year.

"The analyses of working given in the last Railway Administration Report show that it is the third-class passenger who contributes profits to the Railways. So far as profits are concerned, the first-class and second-class passengers need not exist. Let us take the East Indian Railway. The average earning per coaching vehicle per mile on that Railway during the two halves of 1916-17 were:—

1st class	14·92 and 18·62 pies.
2nd class	13·87 and 17·59 „
Inter class	21·75 and 23·49 „
3rd class	50·54 and 53·89 „

While the average cost of hauling a coaching vehicle with its load one mile or all classes during the same half-year was 9·94 and 10·94 pies, respectively, giving an average profit per coach per mile as under :—

	1st half.	2nd half.
1st class	4·98	7·68 pies.
2nd class	3·93	6·65 „
Inter class	11·81	12·55 „
3rd class	40·60	42·95 „

"Let us take another Railway, the Great Indian Peninsula. The average profits on the same basis were :—

	1st half.	2nd half.
1st class	—9·48	—5·35
2nd class	18·32	16·64
Inter class	13·88	16·89
3rd class	22·41	24·57

"There was, therefore, no justification for enhancing the passenger fares, but rather for reducing them The budget will not be upset by the Government accepting the view that these enhancements should be withdrawn during the next year in justice to the great body of people who contribute these profits, because, after making a provision of 29 millions for Military expenditure, there is still a large surplus in the hands of the Government, and the total amount provided for the Army includes £1,677,000 as a reserve to meet unforeseen charges. With that very liberal provision for Military expenses there is no danger of any interest suffering if the proposal is accepted.

"There are, my Lord, some other unsatisfactory features of the budget, which call for a remark. One of these is the increase in revenue from salt. £1½ million has come from increased salt revenue. I endorse all that my Hon'ble friend Mr. Sastri has said on this subject, and I submit, as Sir Ibrahim Rahimtoola pointed out two years ago, and, as events have shown, that the increase in the salt tax was not justifiable. It should be still considered whether it would not be right to reduce it.

"Among other unsatisfactory features of the budget are the growth of the excise revenue, to which attention has already been drawn by more than one Member, and the scanty provision for education. Only 30 lakhs has been provided for primary education. For continuing the building up of Delhi 40 lakhs has been provided. I should like to know why this sum of 40 lakhs should not be added to the provision for primary education. I fear that in the matter of education the Government do not show that they realise the importance of education to the extent that they should. I submit that the provision for education ought to be regarded as a provision for war, necessary to prepare the people to do their duty by their King and their country. Among others the Japanese have recognised the value of education in the conflict of nations. I find they are already taking note of the progress in other countries, in belligerent countries of the condition of education. Authorities there are closely following the educational progress of the world and distributing at their own cost in Japanese a description of the state of education in the belligerent nations of the world. It should hardly be necessary to remind the Council, and least of all my friend the Finance Member, of the important truth which Sir Norman Lockyer sought many years ago to emphasise that brain power is the most essential power even in matters of war. We must regretfully recognise that even after this devastating war we shall not be approaching a millenium, and the more the people are educated the better will they be prepared to understand and discharge their duties and responsibilities, the better will they be able to promote the national income, which after all is the source from which they can help Government at a time of crisis. I submit, therefore, that the importance of education should be properly recognised even during war time, and there should be better provision made for it particularly as there is a large surplus in the hands of

Government. The provision of 30 lakhs of rupees seems to be utterly inadequate for the requirements of the situation. I hope that if the Hon'ble the Finance Member will not accept my suggestions with regard to reducing revenue he will, at any rate, accept the suggestion that the provision for education should be increased.

"The growth of civil expenditure, to which my friend Sir Dinshaw Wacha has drawn attention, as well as the growth of Military expenditure, are matters which require attention. I know that this is not the time when the Government can take up this question, but I submit, my Lord, that the importance of the subject demands that when constitutional reforms are introduced there should be Committees appointed to go thoroughly into both Civil as well as Military expenditure.

"As my friend has shown, Civil expenditure has grown enormously, and there is no question that Military expenditure also has grown enormously. I do not for a moment suggest that the Military needs of the country should not be fully met, but there is a very widespread feeling that there is much room for retrenchment. In the report of the Mesopotamia Commission I find it said :—

'We also gather that there is general dissatisfaction with the system of microscopic financial control exercised over details of Military expenditure, pay and allowances.'

'I submit that this is a matter which it is desirable the Government should look into at the end of the war when the reforms are introduced.

"My Lord, in the matter of investments I must say that I fail to understand the wisdom of the investment that is suggested in Home Treasury Bills. I read at page 70, with regard to the probable expansion of the Railway programme, as follows :—

'Lastly, when peace conditions permit the resumption of the Railway Capital Programme on a scale necessary to provide adequately for requirements—and this will involve making up a lot of lee-way in respect of the compulsory cutting down of that programme during the war—we shall probably find some difficulty in raising, on reasonable terms, the amount of capital which would be required. We propose, therefore, as against our temporary borrowings on Treasury Bills here, and in view of the satisfactory financial position of India as a whole, to invest £20 millions in Home Treasury Bills in order to provide for the liabilities which in one way or another will come upon us shortly after the war is over.'

"I submit, my Lord, that that is looking too far ahead. The Hon'ble the Finance Member says :—'we shall probably find some difficulty in raising, on reasonable terms, the amount of capital which would be required.' If there is no difficulty in raising that capital now there should be less difficulty in raising it after the war is over. Secondly, as one of my Hon'ble friends has already remarked, to raise money at 5 per cent. and to invest it at 3·5 seems to require a little further explanation. The Hon'ble the Finance Member proposes to make this provision for a liability which, he says, will come upon us after the war. We do not know when the war will be over—we all pray that it should soon be over—but as we do not know when that will be, I submit that the justification for this proposal is not quite clear.

"With regard to the question of railway fares, if I may go back to it for a moment, I should have pointed out that, when the Hon'ble Sir Dinshaw Wacha said that the railway fares were cheapest in India, he forgot that the people of India are the poorest in the world. When you compare the fares which they pay per mile here with those paid in England and America, you must also compare the incomes of the people of India with the incomes of the people in England and America; and, comparing them it will be found that the people of India are not having railway facilities afforded to them on the cheapest terms.

"As regards the War Loan, I will simply add one word to what has been said about it. When an effort is made this year to raise a War Loan, I hope instructions will be issued to prevent any overzeal being shown by subordinates. The Government have seen how well the people have responded already, and therefore there is all the more reason why a factor, which has given rise to complaints, should be entirely eliminated from the new year's operations. I hope that the Hon'ble the Finance Member will issue instructions on this point.

"As regards the restrictions on the issue of capital, I may say that I am in entire agreement with my Hon'ble friends over there as to there being no need for it. Up to this time the needs of the Government have been met and the money which the Government wanted has been found. The expenditure has been balanced by revenue, and there is a surplus. Is there, then, any justification for placing any restrictions on the issue of capital at this stage? If, however, this proposal must be carried out, then I submit two points ought to be borne in mind by Government. Foreign companies must not be placed in a position of advantage over Indian companies. It should not be that while Indian companies find difficulties placed in their way foreign companies should be free to start work in this country with capital raised in other countries, and to flood this country with their goods. Secondly, my Lord, I think a Board should be appointed to deal will all applications which may be made for the floating of new companies, and on such a Board the Government should see that half the number of members are Indians and half Europeans. This is essential in order to create confidence in the minds of Indians who are concerned in business and who are anxious to promote the industries of the country....."

His Excellency the President.—"The Hon'ble Member has exceeded the time allowed to him."

The Hon'ble Pandit Madan Mohan Malaviya:—"I will not take up any more time, my Lord."

The Hon'ble Sir George Lowndes:—"My Lord, I am only drawn into this almost interminable discussion by certain remarks that fell from the Hon'ble Pandit at the commencement of his speech. The Hon'ble Member referred to the change which has taken place in the procedure of the Council on this budget discussion, a change which was made, I believe, in consequence of the desires of Hon'ble Members of this Council which were very frankly expressed. The Hon'ble Pandit, however, said that he hoped that your Excellency would be able to allot to the Council another day for what I may call the annual hare hunt which we used to have on matters which, as the Hon'ble Pandit admitted, could not be dealt with in Resolutions and had no reference to the Financial Statement. Now no one in the Council knows better than my Hon'ble friend that we are governed here by the terms of a Parliamentary Statute which allows us to discuss three types of things only. In the first place, we can discuss motions on Bills or having reference to the Rules. In the second place, we can discuss the Financial Statement. In the third place, we can have Resolutions on matters of public interest. There is nothing in the Act of Parliament by which we are governed which will allow us, even if your Excellency was willing to permit it, to have what I may call the hare hunt that we have always had in former years, which is neither with reference to a Resolution nor a discussion of the Financial Statement nor a motion on any Bill or Rule."

The Hon'ble Maharaja Sir Manindra Chandra Nandy, of Kasimbazar:—"My Lord, I feel no hesitation in congratulating Sir William Meyer on the very good luck and circumstance that have attended the Government in the most eventful years of storm and stress that have followed the outbreak of the present European War. Sir William Meyer has no doubt opened in Indian history a bold era of financial experiments, and, in his efforts to strengthen 'the walls and foundations of our financial structure,' he has received the unstinted support both of Providence and man. With bountiful monsoons and golden harvests on the one side and money pouring in unexpectedly for the War Loan, the treasury bills and post office certificates on the other, Sir William Meyer has had not much anxious time to meet the financial liabilities of the Government, and has even succeeded in laying by something for the rainy day.

"But while I congratulate Sir William Meyer—as one of the best financial Ministers—I must say that the Financial Statement which he presented to this

Council just a week ago cannot be pronounced to be a very satisfactory and pleasing State document. It is evident, from the revised accounts, that Sir William Meyer's budget of 1917-18 contained under-estimate of the revenues of India. Almost every important head of our revenue, excepting opium, has yielded larger revenue in the present year than Sir William Meyer budgetted for in last March. Excise, customs, salt, income-tax, post and telegraphs and exchange have all exceeded the budgetted figures of Sir William Meyer, the greatest surprise being the railway earnings which come to nearly six million pounds sterling or close upon nine crores of rupees or nearly double of Sir William Meyer's budgetted estimate. Though I fully appreciate the difficulty of forming accurate estimates of our revenue at such an uncertain period of our finances, I cannot quite exonerate our Finance Member from the evil consequences of an under-estimated budget. I feel in my heart of hearts that this under-estimate of the revenues of India in the budget of 1917-18 necessitated an additional burden on the Indian tax-payer, and if this tendency of an under-estimate had not overtaken the Financial Department of the Government of India, there would have been no new imposts last year, no panic for fresh taxation this year, and perhaps more money would have flowed into the Imperial Exchequer in the shape of contributions to the War Loan.

"My Lord, following the line of argument I have been trying to develop in the above observations, I feel bound to characterise Sir William Meyer's financial disbursements for the coming year as equally disappointing. With an unexpectedly large surplus in hand and budgetting for another year of a not inconsiderable surplus, it is neither very generous nor graceful for a Finance Minister to stand where Sir William Meyer does. Sir William Meyer does not think it proper, under the circumstance, to add to our burdens nor does he see his way to reduce the existing level of taxation. Perhaps that is, after all, a very safe and wise policy to adopt. But what strikes me as the most disappointing feature of Sir William Meyer's financial policy is that he stints to use his huge surplus for the betterment of the condition of the people who have so very largely contributed to it. Of course, nobody would like Sir William Meyer, at a time like this, to embark on any ambitious scheme of social or industrial improvement which might involve either heavy financial outlay or large recurring grants: but it is difficult to see why a very large portion of his surplus could not be spared for either the cause of primary education or sanitation—so essential to the amenities of civilised life.

"My Lord, the question of a surplus leads me to offer another criticism. It transpires from the figures which find place in Sir William Meyer's Financial Statement that practically the whole of the present year's surplus has been contributed by the Indian railways. My Lord, I quite remember the time when eminent Indian publicists used to question the wisdom of pushing railways in this country as a State venture and also protested against its expansion at the neglect of irrigation. My Lord, the railway policy of the Government of India has proved most beneficent to us, and there is perhaps no one in this Council who, far from challenging the wisdom of that policy, would not care to justify and bless it now. Most unfortunately, this very important source of our revenue is now being neglected, and the Government is unable to find for the Indian railways even a third of the money which Lord Inchcape's Committee recommended only a few years back as absolutely necessary for their development. It is somewhat consoling to notice, however, that the Government have already been able to invest £20 millions in British treasury bills which, after the war they intend to spend for railway development in India. That may make up for the lee-way that has been lost during the last few years. But I do not find any valid reason why the Government should not cultivate the Indian market to obtain greater assistance from indigenous capital towards reproductive outlay on our railways. Sometime in the near future, when the war is over, an attempt ought to be made by the Government to raise a rupee loan for the purpose of expanding our system of railways.

"My Lord, speaking of our railways, I cannot omit to urge on the attention of the Government the great need of nationalising them or bringing them

absolutely and invariably under State control. The question of the nationalisation of our railways, my Lord, is more a financial and economic problem than a question of general policy, and I make bold to say that as soon as this policy is adopted, it will popularise our railways in such a fashion that the difficulty of raising capital for them will never arise. Sir William Meyer has taken many bold financial steps in the last few years ; may I appeal to him to recommend to the Government of India the nationalisation of our railways as another step which will carry his name down to posterity ?

" My Lord, the establishment of a ship-building branch of the Admiralty in India and the decision of the Government to get 3,000 railway wagons built annually in this country for a period of ten years from now unmistakably indicate the final abandonment of the policy of *laissez faire*, against which your Excellency made such a notable pronouncement a few months ago in Madras. I have no doubt that, with the full and frank abandonment of this economic doctrine and the adoption of an active and energetic policy of industrial and agricultural development, the revenues of India will exceed at one time the wildest dream of any Finance Minister of to-day. I hope the Government will take time by the forelock and move ahead with a quickened pace towards the realisation of this ideal.

" I am sorry, my Lord, the condition and circumstances of the present titanic struggle have upset the price of silver, which has risen from 37*d.* to 43*d.* per ounce, and disturbed, in spite of the gold currency reserve, our whole system of exchange, and necessitated many legislations to readjust our paper and metallic currency. I hope, however, that the credit of the Government of India is so well established now that an increased paper currency, even without a sufficient metallic backing, has come to stay as a great relief and support of India's financial position. Yet, I think, it would be a wise economic policy for the Government to keep and invest in India the bulk of the gold and paper currency reserves which the Secretary of State for India now holds in England.

" My Lord, I have nearly finished : I have one more word to add. Before the commencement of the titanic world-conflict which is now shaking to its very foundation the civilisation of the West, India paid a bill of a little over £20 millions for her army, marine, military works and special defences. To-day, our total military bill comes to the neighbourhood of £31 millions, thanks to the war. This amount is several times over what all India pays to-day for the education of her children. My Lord, so long as the war lasts, we will do our very best to help England and her Allies with our men and money. England's cause is our own and with England, my Lord, we will sink or swim. Our contributions to the war so far have neither been mean nor hesitating ; we have ever been and shall always be ready at the beck and call of the Empire. Indian troops have bled themselves white in the various theatres of the war in East and West ; we have paid so far nearly 65 million pounds directly towards the expenses of the war, besides the very large amount voluntarily contributed by us towards special purposes, equipments or comforts for the troops and the heavy military bill of the Government. May we not expect that, when the war is over and the armour is laid down, education will take the place of military expenditure in our budgets and make up for the neglect of the past ? My Lord, when the expected constitutional reforms come into operation, Sir William Meyer has announced there will be a decentralisation of finance and very few ' divided heads ' of revenue, and the provinces will be allowed the privilege of imposing taxation and, I hope also, to raise loans for special purposes. Whether the provinces are or are not able to provide adequate means for the spread of education to the extent we desire, I hope, my Lord, the Government of India will never consider the internal development of India and the social advance of her people matters of less concern to themselves than the maintenance of a well-equipped and up-to-date army and navy."

The Hon'ble Dr. Tej Bahadur Sapru :—" My Lord, even at this late hour of the day I trust your Lordship will bear with me for a few minutes and permit me to pay my humble tribute of admiration to the Hon'ble Sir William Meyer on this occasion when he is presenting to us his last Financial

Statement. My Lord, during the tenure of his office he has had to contend against difficulties of an extraordinary character, and, I think, it must be admitted as, indeed, it has been admitted very frankly by every Indian Member this afternoon that he has given a most excellent account of his stewardship of Indian finances during the last five years. My Lord, as some of the speakers have reminded us this afternoon, Sir William Meyer has been subjected to criticism, mostly hostile in certain quarters. But I venture to think that Indian sentiment is entirely with him, and if the support of Indian sentiment and Indian opinion can bring any solace to him, he can have plenty of it. My Lord the Financial Statement that he has presented to us to-day is, to my mind, a complete refutation of the criticism passed on him or of the criticism levelled against India. No doubt the war dominates our finances, but one pleasing feature of the Financial Statement is that there is no additional taxation to be imposed this year, while, on the other hand, it brings out into prominent relief the magnificent services rendered by this country during the period during which Sir William Meyer has held the high office which he is about to quit. Now, my Lord, I do not wish to traverse the ground which has been covered by so many of my Hon'ble colleagues in the course of the day, and I shall, therefore, confine myself to one or two points only. I must congratulate the Hon'ble the Finance Member upon the remarkable success that has attended the War Loan, and I sincerely hope and trust that the next War Loan will be equally successful. I at the same time join my friends in expressing the hope that specific instructions will be issued to the officers of Government that no ground is given for complaint by subordinate officials with regard to any undue zeal in collecting the money.

"My Lord, the real point in regard to which I would invite your Lordship's attention and the attention of Government is the question of education. It is perfectly true that we are going to get 30 lakhs under the present scheme, but it seems to me that having regard to the size of the country and having regard also to the slow progress which education has so far made the sum allotted is wholly inadequate. When one compares this paltry sum of 30 lakhs with the ambitious programme of Mr. Fisher in England, my Lord, one is astonished that the Government have not seen their way to make the rate of progress a little more quick. Now, whatever may have been the case in regard to primary education in the past, I think, the whole question of primary education has got to be approached now from a different point of view. We cannot forget that the announcement made in the House of Commons with regard to responsible government imposes a still greater obligation on the Government to quicken their pace with regard to education all round if it is considered at all necessary, as I think it is, that we should have educated electorates. I think, my Lord, therefore that the sum of 30 lakhs is wholly inadequate, and I would earnestly urge upon the Finance Member to consider whether it is not possible for him to increase the allotment with regard to education this year.

"My Lord, I have one provincial grievance. In speaking last year on this subject I complained that Bengal, Madras and Bombay which had already got more had been allotted a larger share, while my province had got less. I find the same story is repeated this year, and I would therefore earnestly ask the Hon'ble Sir William Meyer, as also the Hon'ble Sir Sankaran Nair, to consider whether it is not possible to give us something more out of the balance. My Lord, I do not wish to take up your Lordship's time unnecessarily any further, but I would like to associate myself with my friend the Hon'ble Mr. Sastri, with everything which has fallen from him with regard to the increase of railway fares and also with regard to the question relating to salt. With these few words I resume my seat."

The Hon'ble Mr. M. A. Jinnah:—"I cannot say, my Lord, that I am an expert in finance, and I do not think that I can throw any light on the Financial Statement that has been submitted by the Hon'ble Member in charge of Finance. As an ordinary layman what strikes me is this, that the proof of the pudding is in the eating, and I find that the Financial Statement that is presented to us to-day has a surplus and no fresh taxation, and that is

a most satisfactory state to be in. That is all that I can say with regard strictly to the Financial Statement.

"My Lord, last year I was responsible for saying that the budget was presented to us in this Council, when we could not change a single word or figure; and it was like flogging a dead horse. Since then the procedure has been changed, and we are given an opportunity to discuss the Financial Statement when it is not flogging a dead horse, but, as I may say, moving a live horse. I hope that the change in the procedure, which has brought this discussion to-day, will enable the Finance Member to consider some of the points which have been brought out, and I hope it will bear some fruit. I hope that on the 22nd when we get the budget presented some at least of the suggestions that have been made might be accepted. I would only say this, my Lord, that I support entirely what Mr. Sastri said about salt and primary education. There is one more word which I would point out to my Hon'ble friend, Sir George Lowndes, who happened to say that we have done away with 'the hare-hunting debate.' Nobody appreciates that more than I do, my Lord, but it was a very great privilege which was enjoyed by this Council for many years; and with very great deference to the Hon'ble Member I see nothing in law which prevented that practice from being followed. That advantage has been taken away, and I believe some Members keenly feel that that advantage has been taken away. Though it is perfectly true that we can bring forward Resolutions in this Council, and probably the Hon'ble Member will find more Resolutions in future because he has taken away this privilege. But it will take more of the time of the Council, whereas what he described as the hare-hunting debate had the advantage of preventing people from going so far as to bring forward Resolutions but gave them opportunities of drawing the attention of Government to certain matters of public importance. However, that privilege has been taken away, and I hope that it will be compensated by the Finance Member in showing us on the 22nd that what has happened to-day has borne some fruit. Now, my Lord, before I sit down I would join in what has been said about Sir William Meyer. I have listened to the debate from the morning till past five, and I was wondering what would be the height of my ambition just now if I had to make a choice. I honestly say, my Lord, that I have come to the conclusion that I should like to be in the place of Sir William Meyer to-day. But I do not think I should like to continue for more than to-day, because I think on the 14th instant, perhaps, he may have some trouble about the Income-tax Bill.

"All the same, my Lord, I join in the sincere congratulations and the good wishes which have been offered to him, that when he retires he may have the happiness and rest that he fully deserves, and I am sure that India, not only in this Council as represented by the various communities, but India as a whole outside fully recognises the services that he has rendered to our Finance at the critical moment. He deserves well of India and rightly so."

The Hon'ble Sir Hugh Bray:—"My Lord, I have no speech to make, but I should not like the Hon'ble Member to think that I alone did not join in the congratulations offered to him. I desire, therefore, to associate myself very sincerely with the shower of congratulations that have fallen and are falling on the Hon'ble Member's head in connection with his most successful farewell budget. I should also like to associate myself with a good deal of what the Hon'ble Mr. Hogg from Bombay said but not with all because I do not agree with him in regard to Premium Bonds. I suppose that many Finance Members if not most have to wait for a post mortem for a proper appreciation. In this case vivisection self-performed has had most satisfactory results. I think, my Lord, I should be perhaps less or more than human if I refrained from reminding the Hon'ble Member that 12 months ago I said certain words here which he construed to mean or to imply that he ran some danger of going to jail for the way in which he had dealt with the railway earnings. It is, therefore, my Lord, with unbounded satisfaction that I find that he has had such a good year that he has been able to make restitution, if as I hope I do interpret correctly what he said on the 1st of March and I trust that the reserve he then referred to may be so ear-marked, so tied up, that

it must be spent on Railways only and that next year it may be possible to provide even a further reserve."

The Hon'ble Raja Rampal Singh:—"My Lord, being under the impression that to-day's speeches will be strictly confined to the Financial Statement I had no mind to speak, but, it was only this morning that it came to my mind that I may also take advantage of the privilege that we enjoy I determined to prepare a speech. The time was short at my disposal but to my great relief the old saying 'short and sweet' came to my help. To make my speech short was in my power, but to impart sweetness to it was beyond my capacity. However, I brought satisfaction to myself with the idea that if my speech will not be suggestive of any improvement in the finances or financial system of the country or any reform in its administration, I will at least have the satisfaction of not having wearied the Council by a monotonous speech though I fully associate myself with the views expressed by my Hon'ble Colleagues.

"Now, my Lord, I beg leave to give expression to feelings of cordial gratitude on my own behalf and on behalf of the landholders of the United Provinces of Agra and Oudh to your Excellency's Government and to Sir William Meyer, the Finance Member in particular, for the most praiseworthy manner in which the levying of any fresh taxation has been avoided. The shadow of that titanic war, which Germany started three years ago to gain her own selfish ends, is still over us and at a time when there was not a little apprehension in the country that new methods of fresh taxation may be devised by the Financial Department to meet the exigencies of the most extraordinary situation, it is no less a matter of self-congratulation to us as it is to your Excellency's Government that the finances of the country have been managed in such a masterly manner as not to necessitate the imposition of any further burden on the shoulders of the people.

"There is one matter, my Lord, which is exercising the minds of the landholders of the country with considerable amount of anxiety and uneasiness. It is the innovation that is intended to be adopted in the method of calculating their assessable incomes.....

His Excellency the President:—"I think the Hon'ble Member is travelling outside the limits which are permitted to him."

The Hon'ble Raja Rampal Singh:—"I thought that some income has been estimated and added to the assets, and so I wish to point out to the Hon'ble the Finance Member that if any assessable income has been added in the Financial Statement for the levy of a higher rate of income-tax, any such estimated income should be left out of account."

His Excellency the President:—"He has already told you that nothing has been added to the estimated income."

The Hon'ble Raja Rampal Singh:—"I did not know that."

The Hon'ble Sir William Meyer:—"I can assure the Hon'ble Member that nothing has been added in the Financial Statement on this score."

The Hon'ble Raja Rampal Singh:—"Thank you, Sir,

"My Lord, this is not the time to press for allotments towards objects calculated to advance the moral and material progress of this country though it cannot be too incessantly impressed towards what direction that advancement lies. I am fully confident that your Excellency's Government will by exercising every economy compatible with efficiency in the administrative expenditure of the State will take early steps to bring about that educational, agricultural and commercial development in the country for which we cannot be too impatient.

"My Lord, I cannot resume my seat without offering my tribute of well-deserved praise to my Hon'ble friend Sir William Meyer for the admirable qualities of his head and heart which he has brought to bear to steer the finances of this country during his tenure of office as Finance Minister. The times were hard, the difficulties severe, but he managed them in such an admirable manner that we cannot in fitting words give expression to our sense of appreciation. It is a matter of great regret to us that a few months hence he is to quit the office which he so worthily filled in the last few years. In him India will lose the services of a most capable and sympathetic officer."

The Hon'ble Sir William Meyer:—"My Lord, I find it difficult to express adequately my deep appreciation of the most cordial and kindly way in which all my non-official friends have spoken of my Financial Statement for the year 1918-19, including the Revised Estimate for the current year, and of my work as a whole as Finance Member. As one of the speakers has rather aptly put it, it is rather difficult as a rule for a Finance Member to get liked. He has always to be treading on somebody's toes; he has to refuse grants which people think they have made a very good case for. He has, as has happened to me twice in my career, had to raid hen-roosts—to come down on the people with extra taxes; and so he is generally regarded and tends to regard himself, as a sort of Ishmael. Perhaps he may get a welcome when he first comes on the stage; but he does not expect many bouquets when he goes. It has been, therefore, a very great source of pride and pleasure to me to find that, although I have been on the stage so long, my budget and my policy have elicited such warm, I might almost say affectionate, approval from my friends here. It justifies the claim I ventured to make in my speech on the 1st of March that, though my non-official colleagues have on occasions differed from me on particular points, they have given me most warm support as a whole, realising that I love India and have given my best to her. They have assured me of that in terms which I shall never forget. Their approval is a source of great satisfaction to me, and it will be one of the most cherished reminiscences of my Indian career, which will be closed ere long.

"I hope, however, as one of the speakers has said, that I shall, when in England in what I may call a disembodied capacity, meet at any rate some of my friends when they come over on business or pleasure.

"Turning now to the various criticisms that have been made, I note the warm congratulations on the avoidance of taxation At the same time various speakers exhibited a yearning for greater expenditure. I am asked why more money could not be given for Education and Sanitation. My friend the Hon'ble Mr. Bannerjea yearned to spend more money on the Army and so on. Well, I shall touch presently on the question of extra grants for Education and Sanitation. But I would remind my friends who have taken this line that you cannot have things both ways. The Hon'ble Pandit and another speaker or two said 'You have got this big surplus, which may probably be bigger still at the close of the year. Surely, you need not be so miserly; you can give out more money.' Well, if my friends follow carefully the exposition I have given of our Ways and Means position for the year that is coming on us, they will find that, as I have said, we shall want all the money we have got to meet the Ways and Means difficulties. I would remind the Council once more that, even as it is, we have not been able to make specific provision for the Secretary of State's Council Bills, so necessary for the support of India's trade; and, therefore, I say that the fact that there is a surplus does not show that we can dissipate it so freely on expenditure as one might in ordinary years. This is a war year and the next year is a war year, and we must conserve our resources to the utmost.

"Then, some reference was made to a charge that I had underestimated our income in the current year, and that this underestimating of revenue, and — it was implied — overestimating of expenditure, was an ingrained vice of Indian Governments. Well, I have no doubt that the Government of India must always be cautious folk. They have felt that you cannot turn the taxation tap on and off so readily and easily as you do at Home.

They felt that it is better to be on the safe side because their calculations may at any time be upset, as Sir Edward Baker's were on one occasion, by bad seasons Therefore, as I say, you must be prudent and cautious, and this is doubly necessary in the case of the present war with its kaleidosocopic surprises. My friend the Hon'ble Mr. Sastri noticed that if I have underestimated the revenue I have also underestimated the expenditure. Military demands came which I could not possibly resist. I maintain what I said on previous occasions that really, so long as this war lasts, we are groping in the dark, and that if our estimates turn out to be better than we expected, it is a matter to thank Providence for and not be too critical about. And lest this should be thought to be some special vice of bureaucracy, I would remind my Hon'ble friends that in the British Parliament the estimates that the Chancellor of the Exchequer has put forward during the war have been set aside by actual events to a far greater extent than our estimates here.

"Then reference has been made to the lapses in Provincial expenditure under Education and other heads, lapses in the current year. Well, I want to state emphatically that we put no pressure whatever on Local Governments to cut down the budget estimates we had agreed to. The lapses that occur are, I think, absolutely due to the feeling that it is better to defer expenditure and incur it to better advantage later than to rush into outlay simply to show that the budget estimates have been worked up to. Anybody who has experience of these matters will know that it often happens that, towards the close of a year, you are faced with the question, can you lay this money out to the best advantage? You can throw it away and make it appear that your actuals square with your budget. But wise and honest people will say that it is much better to let it lapse and spend it to advantage and with greater deliberation next year.

"Then, we have had a wail that beneficent expenditure is at a standstill owing to the war. Well, the war is on us, and we cannot expect to get on with other outlay as if there were no war at all. My friend the Hon'ble Dr. Sapru referred, I think, to the fact that Great Britain was nevertheless spending much money on education. He referred to Mr. Fisher's programme. I would remind my friend that Mr. Fisher's programme has not come in yet; it has had to be postponed.

"As regards the current year's Provincial budgets, in spite of the necessity for economy which the war requires, we are, as I said in my speech on the 1st of March, giving the Provinces an opportunity of spending three million pounds more next year than is actually being spent in the current year. If you compare the budget estimates of the coming year with the figures of the last peace year, 1913-14, you will find that there is an increase of expenditure of about one million pounds, from £3,177,000 to £4,121,000, under Education; and if you compare the budget allotment for education in 1918-19 with the Revised for 1917-18 you get a rise, in round figures from £3,360,000 to £4,120,000. Some of the Members have spoken as if the special grant of £200,000 which we are making from Imperial funds was the only contribution to educational progress in the coming year. Well, education is a Provincial matter, and the expenditure comes from Provincial revenues. What we have done in past years, when our finances allowed of it, and what we do this year as an earnest of what we should like to do if the war was not on us, is, every now and again, to make additional grants to the Provinces from the Imperial Exchequer. But the expenditure remains, in the main, Provincial expenditure; and the fact that there is an increase budgetted for in 1918-19 shows that, in spite of the war, the Provinces are going ahead.

"Similarly, for Sanitation the current year's budget figure was about £610,000 and the Revised £580,000. In 1918-19, there is a provision of £715,000 for Sanitation as against £423,000 in the last peace year, 1913-14. That is a very large proportional increase. The Sanitation expenditure in Bengal, to which the Hon'ble Mr. Bannerjea referred, has risen from about six lakhs in the current year's budget to nearly 12 lakhs in 1918-19, and that includes a considerable amount of provision for measures against malaria.

"As to expenditure on Agriculture, to which one speaker has referred, if he looks at the budget allotment for the coming year, he will see that it

is nearly 50 per cent. above that for 1913-14. So I maintain that, in spite of war conditions and the necessity for conserving our resources as much as possible, we are still making very fair progress in beneficent expenditure. Well, I have been asked if we cannot give more special grants. I have already answered the question : we have not the necessary funds, having regard to the demands on our resources for Ways and Means purposes. There is also, as I indicated in my speech of the 1st March, another reason. We have got under consideration, in connection with the scheme of constitutional reforms, the future relations—financial as well as other relations—of local bodies, Provincial Governments and the Government of India, and till we have determined what those relations will be obviously we cannot go in for large commitments based on the existing system. My friend the Hon'ble Mr. Bannerjea regarded this announcement as a great triumph for his views on Provincial autonomy, and chaffed me genially for having taken a different view now to what I took in a debate in 1914 when he raised the subject in connection with the famous Delhi Despatch. Well, if my Hon'ble friend wishes to claim me as a captive to his bow and spear, he is welcome to do so, but I would like to remind him that what I said then—that is, in that debate of 1914—was that the Delhi Despatch only spoke of Provincial autonomy as a distant ideal; it did not give any pledge for immediate action. We have progressed more rapidly now, and perhaps we can act sooner than we thought possible in 1914. My Hon'ble friend is an impatient idealist in this matter. An impatient idealist has been described by somebody as 'a beautiful and ineffectual creature ;' but I do not commit myself to that description at all. An impatient idealist, I think, is a very useful person. Without the impatient idealist we should all get far too much into the ordinary ruts....."

The Hon'ble Mr. S. N. Bannerjea :—" Whatever has been done has been done by impatient idealists in this world."

The Hon'ble Sir William Meyer :—" As I have just been saying, without the impatient idealist we should stagnate; but at the same time the impatient idealist, when he begins, is just as much before the right time as the obscurantist conservative is behind it. A Government has to take a prudent course. It listens to the impatient idealist, but it cannot prudently move till it has made sure that the route is the right route, and that the ground will bear the progress which it is proposed to make."

The Hon'ble Mr. S. N. Bannerjea :—" The impatient idealist has triumphed in this matter."

The Hon'ble Sir William Meyer :—" He generally does in the end. Well, my friend, the impatient idealist, if he will allow me to call him so, and some other speakers have criticised us on the ground that the additional pay to British soldiers provided in the Financial Statement has not been accompanied by a corresponding increase to the Indian troops. It is not, for the very good reason that we made the increase to the Indian troops first. We did that with effect from the 1st of January 1917, and it was mentioned in the budget of the current year as materially adding to the military estimates. We increased the pay of all ranks from Subadar-Major downwards; and we gave the sepoy, instead of an increase of cash pay, free rations which were estimated at that time to be worth an additional pay of Rs. 3-8 per month, and which, as prices have continued to increase, is worth still more now....."

The Hon'ble Mr. S. N. Bannerjea :—" May I make a submission? My point was that Rs. 11 which is the increased pay *plus* the rations which you give are not sufficient. That is my whole point."

The Hon'ble Sir William Meyer :—" I will meet that directly; but what I say is that we did make very material additions last year."

The Hon'ble Mr. S. N. Banerjea :—" It is not enough."

The Hon'ble Sir William Meyer:—"We also raised pensions We gave men a bonus of Rs. 50 on recruitment. We have given improved clothing and housing conditions. But my Hon'ble friend says 'it is not enough. I want you to spend millions more.' Well, if you spend millions more, you will have to increase taxation very considerably. I am less of an idealist in these matters than my Hon'ble friend, and I will wait for the military authorities to put up proposals to me. It is the military authorities who have to deal with a great deal of possible military expenditure to judge which military expenditure is most essential; and I may say that His Excellency the Commander-in-Chief and Army Member has always shown an extreme amount of—may I say ?—Scotch caution in deciding how far to progress; but when he comes to me he generally does so with such a complete case that I throw my hands up and surrender to his discretion....."

The Hon'ble Mr. S. N. Bannerjea:—"You will get much more recruiting."

His Excellency the President:—"The Hon'ble Member has had his say already."

The Hon'ble Sir William Meyer:—"Then, the Hon'ble Sir Fazulbhoy Currimbhoy asked me for an announcement of our position in regard to expenditure in Persia and Mesopotamia. As regards Mesopotamia our expenditure is limited to the Expeditionary Forces there—I mean expenditure which we have eventually to defray from Indian revenues, not what we pay in the first instance on behalf of His Majesty's Government and get back from them. The Resolution of 1914 puts on us the normal charges in respect of those forces, namely, what we should pay for them if they remained in India.

"As regards Persia I cannot say more than what I said in paragraph 16 of my speech of the 1st March. There I spoke of the South Persia Rifles as 'a corps raised to assist the Persian Government in maintaining order in tracts in which British interests are specially concerned with reference to present war conditions,' and indicated that the cost of the corps is divided like other Political expenditure in Persia between His Majesty's Government and ourselves. Well, my Hon'ble friend, I think, knows that Persia is in a rather delicate situation; that there are Turkish troops in the country; that there are German agents in the country, that there are large tracts in the country which have been the scene of local disorders. I am sure he will not press me to make any further statement as to the precise functions and use of the South Persia Rifles. I must ask the Council to take it from me that they are doing useful work.

"Then, my Hon'ble friend Sir Fazulbhoy Currimbhoy, and I think the Hon'ble Pandit also, criticised our investment in Home Treasury Bills—our special investment of 20 millions—on the ground that it is out of the proceeds of borrowing here and that we are paying more here than we get in interest in England. Well, that may be; but surely my Hon'ble friend realises that it is necessary to borrow here for the purposes of our war finance, which includes among other things large expenditure on account of His Majesty's Government and the meeting of Council Bills to promote those trade interests in which the Hon'ble Sir Fazulbhoy Currimbhoy is so interested. We have to lay out this money; we cannot get adequate specie payments in return, for the reasons I have explained, and so we have to be content with Treasury Bills at Home. That is a war sacrifice if people like to call it so; but it is justified in the circumstances of India's trade among other things The Hon'ble Pandit objected to any investment at all. He would like the money to lie idle in the Secretary of State's coffers. Well, I have explained that it has accumulated in the Secretary of State's coffers for reasons which are beyond our control, and that being so, we thought we were doing a good stroke of business for India in persuading the Secretary of State to invest it....."

The Hon'ble Pandit M. M. Malaviya:—"Why raise it?"

The Hon'ble Sir William Meyer:—"If the Hon'ble Pandit has followed my exposition of the Ways and Means situation, he will have seen how necessary it is for the money to go Home and that we cannot get specie back again. That is one of the difficulties of the situation.

"Then the Hon'ble Mr. Hogg raised a kindred point as to the rise in the rate of exchange affecting our Home investments when we want to get them out here, meaning, I presume, that we should get less in the way of rupees than the amount of our original remittances. Well, most of our investments are in short term Treasury Bills. We may lose by exchange in bringing the money out when we can bring it out; but it must be remembered that we gain in our remittances Home, so that the one balances the other.

"Also so far as this money is applied to help in the Railway Programme it would come out not in actual cash but in railway material.

"I note the remark which Mr. Hogg and Sir Fazulbhoy and some other speakers made in regard to our contemplated measure for restriction of flotations of private issues. Well, I shall bring forward that Bill in a few days' time and it will be published for information I only want to say now that there is no intention of absolute prohibition, as my friend, Mr. Sita Nath Ray seems to imagine. We only propose to follow the system that has been adopted by the Home Treasury since the beginning of the war, which is in force in India now in respect of so many other matters connected with the war, by requiring a special license before private flotations are made of registered companies. If it can be shown that new flotations will not compete with our loans, or if they would compete are nevertheless in the national interest, as for instance in the production of material required for the war, certainly I will never be chary in giving the licenses. I also note as a very useful remark Mr. Hogg's suggestion that we might in some cases make it a condition that till a company can get to actual useful work of its own it should temporarily invest in Government funds what it gets from the public.

"Some of the speakers have referred to the undesirability of undue pressure in respect of our current war loan. I entirely agree with them that there should be no undue pressure. Put on the lowest ground, it defeats its own object, because for one man you get money out of by compulsion you may prevent ten others from subscribing. But we do want a great deal of persuasion, and though persuasion should not develop into compulsion, no doubt occasionally there has been too much zeal on the part of some subordinate local officials. I daresay there have been individual regrettable instances of this sort, but speaking as a whole, I do not think that it can be said that in respect of our current year's loan there was undue pressure exercised, though there was remarkably successful persuasion by Heads of Provinces and their committees. But I am quite ready if it is thought desirable to let it be known that Government are absolutely opposed to any coercion. I note also, as a very useful one, Mr. Hogg's suggestion that when we make a definite announcement as to next year's loan we should indicate how the difficulties that arose this year in respect of the issue of scrip are going to be avoided next year.

"Every Member who spoke showed warm appreciation of the loan and of its objects. There was one marked exception in a speech, which, perhaps fortunately, has been taken as read. The Hon'ble Mr. Rangaswami Ayyangar's taken-as-read speech contains this gem—'In the matter of issuing another loan this year I should say that it would be more advisable to issue it next year. The rate of interest has already become very high and the flotation of another loan will jeopardise the interests of landowners and other industrial people wanting capital or otherwise indebted.' Well, that is a very sordid way of looking at things, looking at them from the point of view of the interests of the speaker's own class, and regarding the interests of India and of the Empire as *nil*. I am very happy to feel that this is a mere isolated criticism which has found no echo at all in this debate, where, as I say, the loan has evoked warm appreciation.

"There were a few remarks from Mr. Sarma and Mr. Sastri as to the inflation of currency and its effect on prices. Well, I do not see how the

currency can be said to be inflated by our coinage and note issues. We only coin when it is shown to us to be absolutely necessary to add to stock of rupees and similarly with regard to note issues; and the result as regards our coinage, and the fact that it has not been redundant, has been shown in the way in which it is absorbed. Almost as soon as it is issued from the mint, it gets absorbed by the public, and we get once more into a state of embarrassment as to how to replenish it. The rise in prices is of course the result far more of the world demand for essential products rather than of any question of local inflation of the currency. An addition to the coinage would in any case be required with reference to the more active circulation of commodities that is taking place in these war circumstances. Of course, there is one method which certain economists like Mr. Hartley Withers constantly preach, to meet the demands for currency—that is that you get the old currency out by drastic additional taxation; but I do not think those speakers who have criticised our alleged inflation of currency would wish to adopt that counter-remedy in India.

"My friend Sir Dinshaw Wacha has spoken of the railway surplus as one which should be ear-marked for capital expenditure on the railway programme. Well, that is a matter which I have discussed more than once. I had some remarks on it in my first budget speech, and there are arguments both ways. There is a great deal *primâ facie* to be said for putting the profits made on railways into the development of the railway estate. On the other hand, if you take Sir Dinshaw Wacha's metaphor and treat the people of India as shareholders in railways, you have got the fact that the shareholders went without any dividends for a long time, because, as Sir Dinshaw has aptly reminded the Council, it was not until after many years that the railways began to pay, and the shareholders may quite reasonably claim that they should have some reward for their past abstinence. Also, as shareholders might claim in an ordinary business, they might say 'It is all very well for you to put part of the profit into improving the business, but you must apply part of it in giving us dividends'. So that one has to hold the scale between those two rival claims, and it really becomes a mere matter of expediency in any particular year as to how far you should use capital and how far revenue for the railway programme ....."

The Hon'ble Sir Dinshaw Wacha:—"It is not a question of cumulative dividends."

The Hon'ble Sir William Meyer:—"But as I told the Chamber of Commerce in Calcutta a year or two ago, I had gone into the matter in respect of the years before the war; and I found that as a matter of fact, taking a cycle of years, I think it was 15 or so, we had put all, and more than all, the profits that the railways had been giving us into the development of our railway property. Some speakers said they could not trace that expenditure. My answer is that when we meet capital expenditure out of revenue we meet it by a corresponding transfer from our unproductive to our productive debt.

"The Hon'ble Pandit says that I said nothing about the railway revenue. I thought I had said something very material about it in paragraphs 9 and 57 of my speech on the 1st of March, explaining for instance how it had grown in spite of great disadvantages, but perhaps what he really meant was that I had not said anythiing about increase of railway fares....."

The Hon'ble Pandit M. M. Malaviya:—"That was what I meant."

The Hon'ble Sir William Meyer:—"Of course, I had to deal with big figures and with the railway budget as a whole, and I could not, as the Hon'ble Pandit will, I am sure, understand, go into all the details in a budget speech. But I understand that either Sir George Barnes or Sir Robert Gillan will deal with this matter at a later stage of our discussions on the Financial Statement.

"Sir Dinshaw Wacha wants improved Audit machinery and reports like those of the Auditor-General at Home. I think we have got that. We get very illuminating audit reports from the Comptroller-General and Auditor-General, which are published every year and which form the subject of comment in the Press; and I think we have a great advantage here over the people at Home, in that our audit system is a continuous system. The Audit Officer can always put the brake at once as soon as he regards any expenditure objectionable, whereas at Home they apparently wait; and then there is a retrospective review and much weeping and wailing by the Auditor-General over the wickedness of the spending departments. There was a House of Commons Committee on the matter not long ago which was moved to tears at the reckless way in which the various spending departments were spending, and, I think, one of the things they said was that it would hardly be believed that the Munitions Ministry had never taken the trouble to have a Financial Officer attached to them....."

The Hon'ble Sir Dinshaw Wacha:—"Is it effectual—the system here?"

The Hon'ble Sir William Meyer:—"I do not say it is perfect here, but I think it has been much improved during the last few years—since the accounts and audit functions of the Comptroller and Auditor-General were separated from his functions in connection with currency, loans and so forth, now discharged by the Controller of Currency, and it is improving constantly.

"It is getting late, my Lord, and I do not think I need keep the Council further with answers to what were very friendly criticisms. I must once more express my great appreciation of the way in which Hon'ble Members have spoken about my work and my hearty thanks for it. And I should like to say, as I did in my speech on the Financial Statement, that such credit as is attributed to me must be very largely shared by my able and most zealous lieutenants in the Finance Department; and that I also owe very much to your Excellency and to Lord Hardinge, and to my past and present colleagues in the Executive Council."

The Council then adjourned to Saturday, the 9th March, 1918.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915.
(5 & 6 Geo. V, Ch. 61.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Saturday, the 9th March, 1918.

PRESENT:

The Hon'ble SIR GEORGE LOWNDES, K.C.S.I., K.C., *Vice*-President, *presiding* and 58 Members, of whom 52 were Additional Members.

THE FINANCIAL STATEMENT, 1918-19.

SECOND STAGE.

The Hon'ble Sir William Meyer :—"I beg to open the second stage of the discussion on the Financial Statement."

RESOLUTION *RE* INCREASED EXPENDITURE FOR TECHNICAL EDUCATION.

The Hon'ble Rao Bahadur B. N. Sarma :—"Sir, I beg to move the Resolution which stands in my name:

'That this Council recommends to the Governor General in Council an increase in the recurring appropriation from Imperial revenue of 30 lakhs towards primary education by another 30 lakhs for expenditure from the year 1918-19 onwards on the development of education in—

(*a*) Mechanical, electrical and sanitary engineering.
(*b*) Metallurgy.
(*c*) Mining.
(*d*) Forestry.
(*e*) Agriculture.

"Sir, the subject of this Resolution has been discussed to a large extent when the Public Services Commission Report resolutions were being considered on previous occasions, and yesterday also there was a general expression of opinion that the Government ought to grant larger sums towards the development of education in India. Particular stress has not been laid upon aid to the branches which I seek to see developed, and I therefore propose to make a very few brief remarks in connection with that aspect of the question. I do not think any very lengthy remarks are needed to commend the need of development or money therefor to the Council. The needs of the higher services, as well as the general economic condition of the country, require improvement in education in the branches which I have included in the Resolution. The Public Services Commissioners in their report have these observations on this point. On Agriculture they say:—

'Practical agricultural experience, however, is not demanded of candidates for appointment to the highest posts on the research and teaching sides of the department. In these branches, the chief requisite is a good science qualification supplemented by a term of post-graduate training in agricultural research. We accordingly recommend that facilities for such training be developed in India, and that the standard be brought up to the level of the best equipped agricultural institutions of Europe and America. The training classes should be established at Pusa, such additions being made to the staff of the institution as may be necessary for the purpose.'

"With regard to Forests this is what they say:—

'Direct recruitment should be made to the Imperial branch in India; with this object, a course of training up to the highest European standard should be instituted at Dehra Dun.'

"In regard to Geological survey the following statement is made:—

'A School of Geology should be developed in India which will rank with similar institutions in Great Britain. It is desirable that at one centre at least in India advanced study of this subject should be possible.'

"In regard to Mining the following recommendation is made:—

'Facilities for instruction in mining should be developed in India, and every effort should be made to utilise the services of Indian inspectors. One reason for urging this is, that there is a considerable Indian element among mining managers.'

"Then with regard to civil, mechanical, and electrical engineering and kindred branches they say generally:—

'With regard to the needs of the Public Works Department we are satisfied that the training now given in each of the four colleges is adequate to the needs of the higher branches of the public service.'

"But the evidence suggests improvements in mechanical and electrical and sanitary engineering.

"With regard to the locomotive and other departments they say that:—

'Arrangements should also be provided by which statutory natives of India with suitable educational qualifications would be able to serve as apprentice pupils in the shops and running sheds of the State railways, and so to reach the standard of professional training prescribed for direct recruitment.'

"With regard to Metallurgy, the report of the Committee on Technical Education, which sat more than 14 or 15 years ago, recommended a school for metal working, but nothing seems to have come of that recommendation. There is no doubt, therefore, that from the point of view of equipping educational institutions and workshops for the recruitment of the higher branches of the Indian Services, there is ample justification for the expenditure of the money I ask for. But, Sir, it may be said that the recommendations of the Public Services Commission are under consideration and that, therefore, it is a little premature to consider this subject. And with regard to the Industrial branch, it may be said perhaps that the Industrial Commission is sitting and will submit its report about April, and that, consequently, we might wait till that report is received. My answer to these two objections would be that, with regard to the Public Services Commission's Report, the matter has been already under investigation for about two years, and all that I say, is that some beginning should be made in the current year towards the solution of this problem. With regard to the Industrial Commission's Report, what I would say is, that the report will be received in June, and we are already late in making the necessary improvements to enable us to compete with foreign countries in the matter of industries. The recent commercial returns show how India has been swamped with foreign goods. So, apart from the question of recruitment for the Public Services, I would strongly urge upon the Government the need for the development of education in the branches which I have mentioned.

"Sanitary Engineering is one of the subjects which has to be taken up in India, and I hope that special attention will be paid to it.

"The recommendations of the Universities' Commission, with regard to the London University, show that they have there an Imperial College of Science and Technology in Metallurgy, Mining, and in Civil and Mechanical Engineering, and that it was hoped to secure professors with the highest qualifications at a salary of £1,000, and that £500 was sufficient for Readers. Therefore, the expenditure need not be very prohibitive in the matter of equipping Indian colleges, and besides, we already have in this country institutions in Agriculture, in Forestry, in Mining and in Mechanical, Civil and Electrical Engineering at Roorkee, Sibpur, Poona and Madras. All that is needed, is to further equip them with superior professorial staff and the necessary scientific appliances.

"So far as to the need and the cost. Then the question is, whether I am right in asking for a grant from the Imperial Revenues, especially in view of the possibility of the decentralisation of Provincial finance. My answer is, Sir, that these needs that I am asking to be served are chiefly for the higher Indian services, the Imperial services so to speak, and also for the general economic development of the country in which the whole of India is interested, towards equipping railways, larger irrigation works, and so on; and, consequently, there is justification for the appropriation of Imperial Revenues, towards the objects in respect of which support is sought. Of course, if any of these should fall within the exclusive category of Provincial finance, certainly, adjustments may be made, but I do not think that this step should be deferred, or can be deferred, until the other problem is fully solved.

"Then the question may be asked whether the grant can be utilised during the current year. If a brand new institution or brand new institutions had to be started, there would be some difficulty; but we have our own institutions which can be developed, and it ought not to be very difficult to import old men—men who are too old for fighting—into India for the purpose of filling the professorial appointments. So there may be no difficulty in getting the required professors; the equipment is there to a certain extent, and it ought not to be difficult, therefore, to utilise the grant during the year.

"Then the more important question would be whether there is any possibility of inducing the Government in the state of the Imperial finances this year to make any grant with regard to that subject. Sir, much has been said yesterday already. There has been a growth of nearly £26 millions in the general revenue since the year 1913-14 But have the general needs of the country been served by even a very, very small percentage of the excess? That is the first point I would like to put to the Council. The second is that there are certain increases and certain allotments suggested which might await happier times; under the discharge of debt, Indian bonds and Railway bonds, an expenditure of £3·5 millions is proposed, a loan of 2·7 millions is to be discharged, which might be included in the new loan. Then there is a debt of ·8 millions to the Gwalior State, but if His Highness the Maharaja of Scindia is not very particular on insisting upon repayment, it might be postponed. I am only suggesting possibilities. I will not not say any of them or all of them are particularly feasible.

"Then there is railway development for which another million is provided. I do not say that that should be curtailed; but it is just possible that all the money may not be expended during the current year. Then the elasticity is so great and has been proved to be so great that it ought not to be difficult to find £200,000 for the expenditure that I seek in connection with this department.

"Then between the acceptance of this by the Government and their making any provision, there would be a long time, and I hope, therefore, that the figures can be so adjusted or will be capable of being so adjusted on later information as to make it possible for the Government to accept this Resolution."

The Hon'ble Sir William Meyer:—"I regard the Resolution with very considerable sympathy, but I shall presently explain why I am not able to accept it in this form The Resolution says:—

'This Council recommends to the Governor General in Council an increase in the recurring appropriation from Imperial revenue of 30 lakhs towards primary education by another 30 lakhs for expenditure from the year 1918-19 onwards on the development of education in:—

(*a*) Mechanical, electrical and sanitary engineering,
(*b*) Metallurgy,
(*c*) Mining,
(*d*) Forestry,
(*e*) Agriculture.

"To put it briefly, on technical education, including Forestry and Agriculture, I must again refer to what I said yesterday in regard to our financial

position. It is quite true that we budget for a surplus of about £2⅓ million. It may be—I hope it will be—that that surplus will prove to be actually exceeded in the year that lies before us. But, as I tried to emphasize in my speech on the 1st of March, we want all this money for the demands on our Ways and Means resources arising out of the war. I gave a sketch of these demands in my speech, and I had to say that, on the balance-sheet I was able to strike, we had not been able to make specific provision for the Secretary of State's Council drawings which are so important for India's external trade; that we must meet these in some way or other, and that, therefore, even if we get windfalls, it is necessary to preserve them.

"The Hon'ble Mr. Sarma has made some rather ingenious remarks as to putting off paying our just dues, and hoping to save money on the provision for railway renewals, a very much needed provision for the helping of our much tried railways, which have done such splendid service. I am afraid I cannot accept those expedients as being practical and of financial validity.

"I must also repeat the arguments I used yesterday against further commitments in the shape of Provincial grants, when our future financial relations with the Provinces are under consideration, and it is proposed to give them larger resources to meet what is primarily Provincial expenditure.

"I gave some figures yesterday to show how the total expenditure on education had advanced as compared with 1913-14—the last year of peace. I showed that the coming budget provided 1 million pounds more expenditure for education than in that year; and as regards technical education I now cite some figures for the year 1916-17—the last for which details are available—as compared with the period five years previously, 1911-12. I find that comparing 1911-12 with 1916-17, the expenditure on engineering colleges and schools, engineering and surveying schools, technical and industrial schools, increased in all from about 24 lakhs to 29 lakhs. The former figure includes a Provincial outlay of 14 lakhs, the latter of 18 lakhs.

"Well, as I said yesterday, it is most undesirable to plunge into ill-considered schemes of outlay merely in order to impress the public, and this is specially the case in regard to technical education. We have got to be careful that what is spent is spent to the best advantage to meet actual, immediate or prospective demands. On this point I should like to quote some very apposite remarks made as regards engineers in paragraph 86 of the recent report of the Public Works Reorganization Committee. They say:—

> 'We are not convinced, however, that the annual output of engineers is less than the existing demand, and this view receives support from the fact that 46 per cent. of the upper subordinate posts in Bengal are filled by Bachelors of Engineering, that 60 per cent. of the products of the engineering class at Madras accept subordinate positions, and that posts as upper subordinates are guaranteed to and accepted by the students from Poona passing second and third in the Bachelor of Engineering examination. It is obviously uneconomical for Government to provide, at considerable expense, an engineering education of the highest standard for a man who will remain for the greater portion of his life in an inferior position and will never have the opportunity of exercising the knowledge gained during his college course.'

"Similar remarks were made in respect of electrical and mechanical engineers in the report of Colonel Atkinson and Mr. Dawson on Technical Institutions. I sincerely hope—and I yield to none in that hope—that our industrial development will hereafter justify provision for a much larger output of technically trained men; but we must not let the supply exceed the demand. If so, you will have a set of men for whom the State has provided training and who cannot be properly utilised. I may say, too, that we shall have guidance presently in this as in other matters from the report of the Industries Commission. My Hon'ble friend has referred among other things to Mining. I may remind the Council that Sir Thomas Holland, the President of the Industries Commission, is one of the greatest living authorities on mining—certainly the greatest living authority on mining in India; and that it is not likely the development of mining and the training of men in mining enterprise will have escaped his notice or his recommendations.

"Then, again, it would be most difficult to obtain the necessary teaching *personnel*, the reason being the paucity of men in the scientific cadre owing

to the war, and the difficulty of recruiting fresh men. My Hon'ble friend says 'get an old batch of old men from Home.' Well, I do not think that would be feasible. In the first place, the old men, or a considerable portion of them, would succumb to the unaccustomed Indian climate; and, in the second place, there is nothing in which the practical outlook changes so much as in these technical subjects. We do not want old men who are passed their work. If you want to have good instruction, you must have it from men who are in the prime of life and who are thoroughly *au fait* with existing and future developments.

"Then, as regards agricultural education, a reference was recently made in my Hon'ble colleague Sir Claude Hill's Department to Local Governments as to the promotion of this. We have not received the replies yet. Here, again, it is undesirable to commit ourselves prematurely to schemes which might possibly be unreliable.

"For these reasons, Sir, I cannot accept the Resolution, but I am prepared to make an offer to my Hon'ble friend which, I hope, will meet his purpose, and which, I may say, is made with the full concurrence of my Hon'ble colleagues who administer the Departments in question. On the figures in the Financial Statement, for reasons already explained, I can make no further grant; but it may be, though I cannot yet speak with any knowledge on the subject, that the final budget figures will show a somewhat better position for 1918-19 than we have yet been able to assume in the Financial Statement. If that should prove to be the case, subject to the sanction of the Secretary of State which will be necessary, I shall be prepared to set aside such sum, not exceeding 30 lakhs, as may seem desirable, after consultation with my Hon'ble colleagues in the administrative departments concerned, for purposes of technical and agricultural education. This money would, at the outset, be regarded as an Imperial reserve. We cannot commit ourselves in any way at present as to its eventual application. It may be, as I have said,—I hope it will be,—that we shall get material guidance on this point ere long from the report of the Industries Commission. It may be, too, that the replies to the references made to Provinces on the subject of agricultural education will help us to an early practical course in that matter. But for the present I can only give this strictly provisional undertaking. I regret I cannot commit myself to hand over such money as may be available to the Provinces. It may be that we shall be able to spend it to better advantage under the direct agency of the Government of India—especially as my Hon'ble friend observed that some of the objects concerned were rather all-India objects than Provincial objects.

"Now that is all I have to say. As I have explained, I cannot accept the Resolution as put before the Council, but I do make this conditional promise that, if our budget for 1918-19 shows a betterment as compared with the Financial Statement, I will give the fullest consideration to the putting aside of a sum, not exceeding 30 lakhs, for the general objects which my Hon'ble friend has referred to, and I hope that, in view of this explanation, he will not press the Resolution."

The Hon'ble Rao Bahadur B. N. Sarma:—"Sir, I have only one or two observations to make with reference to the remarks which fell from the Hon'ble the Finance Minister. A passage was quoted from the report of the Public Works Department Reorganisation Committee that even at present the output of engineers is not small and, perhaps, exceeds the requirements and the fear was expressed that the supply might exceed the demand. May I say, Sir, that in the following paragraph the Commissioners state that, if their recommendations are accepted and the Indian agency be increased, the management being handed over to the local boards, there would be a demand for a larger number of highly qualified engineers and better arrangements will have to be made to enable the engineering colleges to increase the output. But the point really is not as to whether the output of engineers educated on the present lines is sufficiently large; the point is as to whether the highest type of teaching open to candidates in the rest of the world is open to students seeking education in these various branches in India; and it is for that higher

teaching on which stress was laid by the Public Service Commissioners, it is for the development of that higher education that I have sought this money, and therefore, I think, Sir, that the money can very well be utilised at an early date.

"Then with regard to the second point that was put to me, that we must not unduly hasten the pace of making large advances to Provinces unless we had properly considered schemes, may I say that this subject of technical education has engaged the attention of Government for more than 20 years past, that the Public Services Commission's recommendations have been before them for the last two and a half years, and that there is a limit to the patience even of the Indian community. I hope, therefore, that there will be more driving power in the various administrations towards advancing the cause which we all of us have at heart. But in view of the very sympathetic remarks of the Hon'ble Sir William Meyer that the Government would consider the question and make provision this year if the finances would permit, I do not see that any useful purpose will be served by pressing the Resolution. It only remains for me to thank the Government for the assurances they have given. I beg to withdraw the Resolution if the Council would permit me to do so."

The Resolution was, by leave of the Council, withdrawn.

RESOLUTION *RE* GRANT OF 50 LAKHS OF RUPEES IN AID OF SANITATION.

The Hon'ble Rao Bahadur B. N. Sarma :—"Sir, I beg to move the second Resolution which stands against my name, namely :—

'This Council recommends to the Governor General in Council that a grant of 50 lakhs of rupees may be made in aid of sanitation, especially towards the supply of pure drinking water in rural areas.'

"Here, again, almost every Member of the Council, official as well as non-official, is convinced of the need for better sanitary equipment in order to improve the health of the Indian population. Recent events such as the increase of plague and increase in mortality from fevers, especially malaria, have rivetted, almost compelled, the attention of every thinking Indian to the subject and made him pause and consider as to whether he has been doing his duty in not putting sanitation above all other things and all other requirements. The figures available to me with regard to the last census are truly appalling. In several Provinces there has been a diminution in population, and as compared with the Native States, British India cannot boast of having done its duty in the matter, the growth of population having been smaller.

"In Bihar, there was an actual decrease of population of ·9 between 1891—1901 and in the decade 1901—11 the growth was only 1·7 per cent. In the Bombay Presdiency, it was—1·7 and +6 in the two decades. Bombay city itself was depopulated in the years 1891—01 4·1 per cent and the growth has been very small during the latter period. The Central Provinces again fared badly, but in the Punjab the tale is harrowing; there has been a decrease during the period 1901—11 of the population to the extent of —1·7 per cent. whereas there has been a general increase all over India of ·5·5. In the United Provinces, also, the tale is equally sickening. Between 1891 and 1901 the growth was only 1·7, whereas between 1901 and 1911 there was an actual decrease of 1·1. A contemplation of these figures is sufficient to convince us that the mortality from the various preventible causes in India is greater than the mortality which ten such horrible wars like the great war now devastating Europe may be accountable for. The growth of population in British India has not been larger during the last decade than that in the Native States, and that is a state of things which requires looking into. So far as to the general need. With regard to the special requirement to which I have drawn attention, namely, the supply of pure drinking water in rural areas, I must say that I made pointed allusion to that special object with reference to the experience I have of my own Presidency. I have travelled far and wide in rural areas

for various purposes, and nothing has impressed me so much as the absolute and imperative need of providing pure drinking water which can be done at a comparatively small expense, if only the resources of the Government and of local bodies can be organised on a proper footing. There are very many villages, where a lot of time and energy is spent by half the population (I say 'half' because the women-folk form half the population) in going long distances to get water which is but impure and absolutely inadequate in the hot season; and even where canals run by the side of villages the water is so impure as to cause mortality from fevers and bowel complaints, simply because local bodies have not been able to make proper arrangements for purifying the water. I, therefore, think that this is a subject which requires immediate attention; and there is the Public Works staff which is not engaged fully owing to the curtailment of Public Works expenditure. This is a matter which does not require any special technical skill, because there are hundreds of small overseers and contractors who will be willing to undertake the task, and labour will be forthcoming in abundance. I, therefore, think that the money can be utilised this year if only the grant is made, and I have worded my Resolution somewhat vaguely in order to meet possible objections. I said, 'recommends to the Council that the grant of 50 lakhs may be made in aid of sanitation.' This grant may be made either from the General Imperial Funds or by releasing Provincial funds to the extent of 50 lakhs, if the Hon'ble the Finance Member should say that there is to the credit of Provincial Governments a sum of £545 thousand which may perhaps be utilised for the purpose. I, however, submit that the Imperial grants, having regard to the immense growth in the revenue, ought to undertake a portion of the burden and contribute 50 lakhs of rupees immediately. That is what is due to this particular department of Governmental activity. But if the Government are unable, for the reasons which have been suggested yesterday, to make a grant from Imperial revenue, I hope they will be able to make a grant in the indirect fashion that I have alluded to, by allowing the Local Governments to spend to that extent from, or rather to draw upon, their Provincial reserves. The Financial Statement with reference to that point says that 'instructions have been issued in view of the war conditions to the Local Governments asking them to restrict drawings on their balances which include the unspent remainder of these special grants', and it further says 'any outlay thus postponed is merely deferred until normal times return'. I hope, Sir, that the grant may be made in one of the alternative forms I have proposed, and I think the subject requires the serious consideration of the Hon'ble the Finance Member and the Government of India."

The Hon'ble Pandit M. M. Malaviya:—"I hope, Sir, the Hon'ble the Finance Member will see his way to accept the Resolution of my Hon'ble friend in one of the alternative forms suggested by him. I do not think the cause of sanitation requires any advocacy. Countless plague deaths eloquently call for more money being put forward in the direction of sanitation, and the need for pure drinking water is one of the most insistent needs which calls for attention. There is no doubt that a great deal of money can be most usefully spent in promoting public health and hygiene, and thereby preventing preventible mortality, and, as my friend Mr. Sarma has now suggested an alternative form, I hope the Hon'ble the Finance Member will see his way to accept the Resolution in one of the forms."

The Hon'ble Mr. S. N. Bannerjea:—"Sir, I desire to support my Hon'ble friend on my left in this matter. I think the practical thing to do in this case would be for the Government of India to issue instructions to the Local Governments to free their balances for this purpose. They hold large balances for sanitary purposes, and these balances might be usefully employed for the purpose mentioned in this Resolution. Something more has to be done than that. You may give the money to various local bodies, but you cannot compel them to spend that money. I know, as a matter of fact, considerable grants were made to the District Boards out of the cesses which were placed at their disposal, but the District Boards were not able to spend them and so the grants lapsed. Therefore, Sir, it seems to me that apart from the essential need

of money something more is required, and that something is the revision of the constitution of these District Boards. The Government of Bengal has taken a distinct and definite step in that direction by appointing by direct election in the case of five or six District Boards, Indian Chairmen for the purpose of carrying on their administration. The experiment has been tried for some months in the district from which my friend Maharaja Manindra Chandra Nandi comes—the district of Moorshedabad. The Chairman-elect is Rai Bahadur Baikuntha Nath Sen, aged 74, but he posesses the energy of a young man and he goes about from place to place in his motor car, visiting distant places, and he has infused a new life into the whole District Board administration. If we had in the District Boards of Bengal chairmen of that type elected by the people, I am sure this problem would be largely solved. Money is needed, and I hope the Hon'ble the Finance Member will be able to give it to us or, at any rate, to free the balances. But even more essential, I repeat, is the revision of the constitution of these local bodies. Liberalise the constitution, make it more popular, make it more responsible, make the Chairmen feel that they are responsible to the electorate, then and then only I think these balances will be utilised in a proper and more satisfactory manner than they are at present.

"As for drinking water, its value for the purposes of sanitation cannot be exaggerated. Wherever a supply of pure drinking water,—and I speak as a Chairman of one of the municipalties in Bengal,—wherever the supply of pure drinking water has been obtained, it has been attended with substantial benefit to the health of the people. I live in a village near the cantonment of Barrackpore. We have got a filter supply. We pay for it and we get it, and the result is a marvellous change for the better in the health of the people. The Government at present,—I am talking of those riparian municipalities,—is engaged upon a scheme for supplying pure water to the riparian municipalities on the left bank of Hooghly. The estimated cost of the scheme is about R36 lakhs. It is expected that Government will make a substantial contribution, and the municipalities are most willing to tax themselves for the purpose. Therefore, let us have the contribution by all means from the Government, and I hope and trust my Hon'ble friend the Finance Minister will be in a position to give us an assurance to that effect. But the constitution of these local bodies must be liberalised, they must be popularised, they must be made responsible to the people, their official character must be banished. Then and then alone the cause of sanitation will be placed upon a satisfactory footing in Bengal and elsewhere."

The Hon'ble Sir William Meyer:—"Sir, here again I have much sympathy with the objects of the Hon'ble Mover, and I may say that one of the most interesting and, to my mind, pleasant experiences of my Indian career, which now extends over more than a generation, is the change in the attitude of the people towards sanitation. When I was a young official I found, as a District Officer, that sanitary measures were absolutely unpopular. I believe now that as my Hon'ble friend Mr. Bannerjea has said, there has been a change in the outlook, and that people are becoming more and more willing to tax themselves for the purposes of sanitary improvement. But I think my friends will also agree that, although this is extremely desirable, it would be undesirable to force the pace too much and to let people think that they are being coerced into sanitation. I only throw that out by the way, because I repeat that I have the greatest pleasure in looking at the fact of the changed attitude of the ordinary mass of the people towards sanitation.

"Well, here again we have not been absolutely at a standstill as might be thought from some speeches yesterday. I think my friend the Mover will recognise, as being a master of figures himself, that we have advanced during the last few years very considerably. I have got the figures here for sanitation expenditure—and mind you this is only the Government sanitation expenditure; it does not include the expenditure of district boards and municipalities which are primarily concerned with this subject. In 1913-14, the expenditure was £432,000; we are budgetting this year for £715,000, that is an increase of 70 per cent. Then during those happy years in which peace prevailed and the Government of India were able to make grants to the provinces, a good deal

was done in the direction of encouraging sanitation. I have some figures here furnished by the Education Department. In the last ten years the Government of India have given recurring grants which now total 85 lakhs a year for sanitation, and 439 lakhs in non-recurring grants; the actual expenditure, altogether, in this way, recurring and non-recurring, for a period of ten years amounts to nearly 10 crores. That is quite apart from the 82 lakhs recurring expenditure given since 1913-14 to certain Local Governments to permit of an increase to the general resources of rural boards with the object that the boards should have a freer hand for sanitation expenditure. These sums are not merely for urban sanitation; much has been made available for rural sanitation also: and in making the grant for 1913-14, the Education Department drew special attention to the needs of rural water supply.

"Coming now to the Resolution, I cannot accept the proposal that we should make a further grant from Imperial revenues of 50 lakhs for sanitation, I can only repeat what I have said before, that although we have a surplus, that surplus is needed, essentially needed, for our Ways and Means purposes in connection with the war, and we cannot dissipate it further. My Hon'ble friend the Mover, however, threw out an alternative suggestion. He said 'let the provinces over-draw from their balances'.

"Well, we have had to ask the provinces to conserve their balances for war purposes. If my Hon'ble friend turns to paragraphs 70 and 71 of my speech introducing the Financial Statement he will find that we have had to cut down the total balances of India, which include provincial balances, very much. We estimate that on the 31st March 1919 we shall not have much more than £11 million, our total balances for all India, whereas we regard the ordinary margin of safety as £12¼ million.

"I may say that the Bengal Government came up to us this year and asked to be allowed to draw on their balances a bit, that is that their expenditure in the coming year should exceed their revenue for that year for certain purposes, and one of them was sanitation. The Bengal Government have embarked on a liberal sanitation programme, and we were satisfied with their reason and said that we would allow them to draw on their balance for this purpose. Other Local Governments have not made any similar request, and I must presume therefore that they are satisfied with the increased provision that they have been able to make out of current revenues. It is no use adding to your expenditure and simply provoking lapses, or rash and ill-considered outlay to avoid lapses.

"There is the question of establishment too. The Hon'ble Mover said that the Public Works establishment, not having so much to do as usual, could turn their attention to sanitary works. My Hon'ble friend Sir Claude Hill has just informed me that 33 per cent. of the Public Works establishment are absent on war work, serving in the field or otherwise, so that we have not got the establishments.

"But I will say this, that if in the course of the year any province should come up to us and ask for a further grant for sanitation to be made from the provincial balances, and can show that they can do this without disturbing our Ways and Means calculation by reason of the provincial revenues coming in better than at present anticipated—I say that if any province makes such a request, we shall receive it very sympathetically. I should be very loth indeed to stand in the way of any such request. Therefore, though I cannot accept the Resolution as it stands, I think my Hon'ble friend Mr. Sarma will not be able to accuse me of want of sympathy."

The Hon'ble Rao Bahadur B. N. Sarma:—"Sir, I recognise that the Government are aware of the serious nature of the problem, but to my mind it seems that they have not placed it in a proper perspective. They were deluded into thinking that the improvements that have been effected in recent years resulting in a large increase of expenditure, have been of such a character as to satisfy the average thinker on these questions. But what is the position? There was an increase of expenditure from 60 lakhs to 130 lakhs; has any very great benefit resulted? has enough been done? We find that in 1913 the deaths were 6,845,000, in 1914 there were 7,155,000 or an increase

of 300,000, and in 1915 the figures were nearly the same, 7,142,000. Therefore the deaths in 1914 and 1915 are more than in 1913. . . . . "

The Hon'ble Sir William Meyer :—" There is a larger population probably."

The Hon'ble Rao Bahadur B. N. Sarma :—" And the growth of population is only half per cent. During the recent decade it has been 5·5, and the death-rate is much larger, 4 per cent."

The Hon'ble Sir Dinshaw Wacha :—" Are these deaths due to want of sanitation only ? "

The Hon'ble Rao Bahadur B. N. Sarma :—" They may be due to want of sufficient food also, which may result in feebler frames unable to resist the ravages of disease. I grant that. I, therefore, submit, Sir, that a larger advance should be made in the desired direction.

" Then with regard to the establishments needed, it is quite true that a number of Public Works officials have gone out, but I believe the curtailment of the expenditure proposed has even been greater ; and apart from that, the local board staff undertakes general expenditure of the kind that I have referred to. But in view of the promise the Hon'ble the Finance Minister has made, that if any Local Government, should approach the Government of India for the sanction of larger expenditure, the request would be sympathetically considered, I think that we shall have to transfer our activities from here to the Local Governments, and then press the question if the present Finance Minister or his successor is obdurate. Under those conditions, therefore, and having regard to the reply that has been given, I do not see that there is very much use in pressing the Resolution further; having regard to war conditions, I feel that perhaps it would be improper to press the Government further in this matter. But before leaving the subject, may I ask inasmuch as for every improvement we have asked, this plea of want of funds has been brought forward, whether the Government of India cannot induce the Government of England to help us a little more in this direction by releasing our funds, because one point that I have never been able to understand is why, when 800 million pounds or more have been lent to the Allies and the Colonies, the Government cannot help us to find the funds for the purchases made here. That is a question on which perhaps the Finance Member on some occasion may help to make clear the position of the Government because there is a misunderstanding on the subject."

The Resolution was, by leave of the Council, withdrawn.

THE FINANCIAL STATEMENT, 1918-19.

THIRD STAGE.

The Hon'ble Sir William Meyer :—" I beg, Sir, to introduce the third stage. "

The Hon'ble Sir Claude Hill opened the third stage of the discussion on, and introduced the following heads of, the Financial Statement for 1918-19 :—

Revenue.	*Expenditure.*
Land Revenue.	Land Revenue.
Provincial Rates.	Provincial Rates.
Forest.	Forest.
Agriculture.	Agriculture.
Scientific and Miscellaneous Departments.	Scientific and Miscellaneous Departments.
Irrigation.	Famine Relief.
Civil Works.	Protective Works, Irrigation.
	Irrigation.
	Civil Works.
	Capital outlay on Irrigation.

"Sir, the discussion which has already taken place on the Financial Statement has been more expansive than has been the practice in past years, owing to the change in procedure, and I think I can therefore be rather more brief this year in dealing with the subjects that fall under my care than has been my practice in the past. There are, however, one or two important matters which, I think, the Council would wish me to enlarge upon.

"Dealing in a different order with the subjects from what has been my practice in the past, I would first of all propose to refer to, and inform the Council of, the advance that has been made in the matter of agricultural education since I addressed this Council last year. In accordance with the suggestion which was made to me last year by the Hon'ble Pandit Madan Mohan Malaviya we held an agricultural educational conference during the last Simla Season in June, at which the whole subject of agricultural education was gone into and certain Resolutions passed which have since been referred to the Local Governments, and, so far as we know, they have met with very general approval. For present purposes I propose to refer to what is of the greatest immediate importance among these Resolutions, namely, that which was passed in June last recommending that agricultural middle schools be established in all the Provinces. That Resolution, among others, was also referred for the consideration of the Board of Agriculture which met last December in Poona, and which I attended, and was there debated at considerable length, with the result that the Board of Agriculture, while premising that in no circumstances was it desirable to do anything which would retard the progress of scientific investigation and demonstration which they regarded as of cardinal importance, endorsed the recommendation that agricultural middle schools should be established in every Province, wherever possible. They went further and drew up a provisional syllabus for such agricultural middle schools, which should form a very useful basis, I think, for adoption, with such modifications as may be necessary for different Provinces, in the schools which we now hope will come into being. The rapidity with which this scheme for inaugurating middle schools progresses must, of course partly depend on financial considerations, as well as on the enthusiasm of individual Local Governments. But I venture to hope, after what my Hon'ble friend Sir William Meyer has said to-day, that if circumstances prove favourable, and if it is possible for him to allot a certain additional grant, in pursuance of his reply to the Hon'ble Mr. Sarma, towards technical education, I shall be able to hope for some of the crumbs from the rich man's table; and possibly be in a position to stimulate Local Governments, always supposing that stimulus is necessary to the establishment—the very early establishment—of certain of these schools to which I, personally, and the Department attach the very greatest importance.

"The proceedings of the Board of Agriculture dealt with very many matters of great importance, and I trust that Hon'ble Members who are interested in agricultural development—and it is a great pleasure to me to notice that their number appears to be growing rapidly—will have obtained and perused copies of the report of the proceedings. I only propose here to refer to one other item there discussed, and that is the subject of uneconomic holdings, which was perhaps the most important matter which came under consideration. The discussion was based primarily on a draft Bill of a rather skeleton character which the Hon'ble Mr. Keatinge, the Director of Agriculture in Bombay, was anxious, I believe, to introduce into the Bombay Legislative Council. The nature of that Bill was of a purely permissive character, the idea being to make it possible for a landlord who so wished, with the consent of all the descendants who might be interested in the disposition of his property, to get it declared that such property should not be further sub-divided, but should pass to his son or next-of-kin. Well, it is obvious that such a measure is one of very considerable difficulty and complexity, and that, since it impinges upon the Hindu law of inheritance, it is a very ticklish thing for Government to discuss. At the same time, its permissive character was, according to my thinking at the time, its best commendation to us for consideration. Generally speaking, the Board of Agriculture were in favour of some such measure being passed, but it was interesting to me to take note of the fact that the people, who at that Board's

discussion thought that the measure was likely to prove inoperative and ought to be strengthened very much more, were two prominent Hindu gentlemen present at the Conference, who urged that this was a much too mild measure, and that Government ought to go very much further and peremptorily, if necessary, interfere with Hindu traditions. That was their view, but it was not the view taken by the Board of Agriculture. Of course, the question of whether legislation will be undertaken is still for discussion, but I mention the matter as being to me a very interesting phenomenon, that those who pressed for action in this behalf were the two prominent Hindu gentlemen who were present at the Conference.

"Then the next matter to which I should like to refer is the very important step we have taken in the appointment of a Committee to examine the question of developing the cultivation of long staple cotton. In recent years the world's demand for raw cotton, especially of the better varieties, has very largely outstripped the supply, and to us, in India, that is a matter of very great interest and importance; because it is, perhaps, not generally realised that 20 million acres of the cultivated area of India are at present under cotton, and that, therefore, the potentialities of India in regard to the development and cultivation of long staple cotton are enormous. The question how far that change which is involved in the substitution of long for short staple cotton is possible of achievement depends on very many factors—among others the question of how far we can arrange for marketing arrangements so as to ensure that the cultivator will always be able to obtain the proper premium value for the improved varieties of cotton; and that matter in India does present very considerable difficulty. It may interest the Council, however, to know that, in regard to that aspect of the case, we have arranged for telegraphic intimation to be at short intervals despatched upcountry from Bombay of ruling world prices for the different classes of cotton. That seems to be one step which may help the cultivator to obtain an adequate price for improved varieties. On this Long Staple Cotton Committee, which is still conducting its inquiries under the presidency of Mr. Mackenna, we have a representative of the British Cotton-growing Association and an *ex*-Chairman of the Bombay Millowners' Association, and I have the best of reasons for believing that they are tackling the subject from a broadminded standpoint, and that they have the interests not only of the manufacturers and the marketing agencies, but also of the cultivator very seriously at heart. It will further interest the Council, I think, to know that the Home Government have decided to appoint a permanent Cotton Committee, the main object of which will be to assist in developing the cotton resources of the whole Empire by keeping in touch with work in progress relating to the growing, handling, and marketing of cotton all over the world and by being a sort of clearing house of information in London. We have been asked to appoint on that Committee out here representatives of the Indian users of cotton and Indian merchants, and I hope, therefore, that the inauguration of this Committee will be a further factor in enabling us to progress in the direction of the development of long staple cotton growing in India.

"I had hoped to be able to tell the Council something about the results arrived at by Professor Maxwell Lefroy when he was out here investigating the silk industry, but, owing to Mr. Lefroy's absence from India, there has been some unavoidable delay in getting out his report, and I am unable to say anything on the subject to-day.

"The Indigo Cess Bill has already passed through this Council, and therefore I need not refer further to the subject of Indigo. But there is an important matter which I should like to mention, and that is the subject of cinchona cultivation. Hon'ble Members are probably aware that there is likely, within a very short period of time, to be a world shortage in the supply of that indispensable drug, quinine, and we have therefore during the past year taken steps to ascertain whether it is not possible for us in India so to increase the area under cultivation of cinchona as to make India, at all events, independent of this shortage in years to come, and possibly also to make India the supply agency for the rest of the Empire. For this purpose, Colonel Gage, Director of the Botanical Survey, was deputed and spent

some months last year in investigating possible areas in Southern India, in Assam and in Burma, and it is a matter for congratulation to know that Colonel Gage has or thinks he has (and he is a very great expert on the subject) discovered a very suitable area in one of the districts in Burma for a very large extension of cinchona cultivation. We hope, therefore, that we may shortly be in a position very largely to extend the outturn of quinine.

"The next matter to which I should like to refer for a moment is the recruitment for the Agricultural Service. In connection with the Hon'ble Mr. Sastri's Resolution the other day, I had occasion to offer certain remarks, and I do not wish to repeat what I then said; but I should like to observe that we have found it extraordinarily difficult to obtain recruits with the requisite qualifications for the scientific posts under the Agricultural Department. During the past year or so we have taken steps, as I explained, to effect promotions from the Provincial Service and to appoint Indians when we can find them duly qualified. But there has been a shortage, and great difficulty is found in filling some of the posts on the scientific side of the Agricultural Service. All I wish to do now—I am afraid at the cost of repetition—is to say that, while the Government of India are cordially at one with the aspiration of certain Members of this Council that the Indianisation of the Agricultural Service should proceed as rapidly as possible, they also adhere—and, I think, the Council will on the whole agree, wisely adhere—to the great principle that the best men for some years to come must be obtained irrespective of race or creed or anything else in order that no excuse might be given for levelling the complaint hereafter at the Government of India that they had sacrificed what was so vital to the interests of India in deference to a theory.

"I now turn to the activities of the Forest Department; and there again perhaps my Hon'ble friend Mr. Sarma will be surprised to know that as many as 65 officers of the Imperial branch were away on war duty. Like the Public Works Department, the Agricultural Department has been very seriously crippled in its activities owing to the war and to the zeal with which some forest officers applied for permission to go on work connected with the war. But we do fully realise the importance, more especially in this time of war, of developing, as far as possible, the unlimited forest resources of India. As I had occasion to tell my friend the Hon'ble Sir Dinshaw Wacha last year, we have decided to create a cadre of forest engineers as one of the most important developments in the direction of forest exploitation, and I may mention that very great activity has, as a matter of fact, been displayed in many Provinces in exploiting forest produce for purposes of the war. The only other point in respect of staff that I need mention is that Madras, the Punjab and Bengal have put forward—and we have approved of—re-organisation schemes involving a total increase of 18 Imperial and 30 Provincial Service Officers, which will meet a long-felt want in those Provinces, as soon as recruits can be obtained. Then, in pursuance of the policy of developing Provincial autonomy in forest matters, we have had under consideration proposals for decentralising the training of forest rangers. At present that work is done in Dehra Dun, and we propose that it shall be done in future in three centres—at Dehra Dun for some of the Upper India provinces, at Coimbatore for some of the Southern and Central provinces, while a new school is to be opened at Dharwar in the Bombay Presidency.

"Turning now to the Public Works Department, it will have been seen from the Financial Statement that our productive irrigation systems, after meeting all charges for maintenance, repairs and interest on capital, have returned a net profit of 331 lakhs as against 315 lakhs, which I anticipated in this place last year. For the ensuing year we estimate a profit of 341 lakhs, the gradual increase being, as I forecasted last year, due to the completion of the Punjab Triple Canal project. The provision for major irrigation works is 70 lakhs, or 20 lakhs less than the provision allowed last year; while the grant for protective works chargeable to famine insurance has been reduced from 60 lakhs to 58. This steady reduction is due to our policy of undertaking no new works, unless it can be shown that they are either urgently required, or will be immediately remunerative, with the result that as each of the works now under construction is completed, the provision is

slightly reduced. This, however, does not mean that we have no new project under consideration. The case is far otherwise. Though we are not able to undertake any new works at present, a comprehensive programme of new projects is being drawn up and will be introduced when financial conditions permit. As regards the future developments of some of the major irrigation works, I mentioned last year the Cauvery Reservoir in Madras. Owing to a Privy Council decision there has been some question as to how the water rights of zamindari lands work out, and how far the decision of the Privy Council in reference to those rights affects the probable results of the irrigation facilities provided by this project. The project has not yet been submitted to the Secretary of State pending the investigation of that question. Another great irrigation project in Madras is that for a reservoir in the Kistna; but we have not gone into that fully, because the Cauvery work is both more important and likely to be more beneficial to the country, and we propose to concentrate on that at first. The Hon'ble the Finance Member has referred to the project for a canal from the Sarda River which has quite recently been submitted worked out in detail by the United Provinces Government. This is the project to which I made reference in replying to the Hon'ble Mr. Sastri, and it may be of interest if I mention that this scheme when completed will prabably be one of the largest irrigation works in India or in the world. The total length of the channels included in the project exceeds 5,000 miles, and some 9 millions acres will be commanded and 2 million acres irrigated annually. I need only refer very briefly to two other projects which are under preparation, namely, that for the Sukkur Barrage on the Indus in Sind and for the Bhakra dam on the Sutlej in the Punjab. The main object of the former is to convert the existing inundation canals in Sind into perennial canals, while that of the latter is to store the surplus water of the Sutlej during the rains with a view to its utilisation during the dry season. The provision of such storage reservoirs to prevent water running waste and to secure its utilisation during the dry season has become more and more one of the main objects upon which the Irrigation Department is concentrating. I had, the other day, in a visit to my old district of Ahmednagar, occasion to see the changes that have been effected by works of this character. When I was in Ahmednagar 25 years ago, the whole of the Pravara and Godavari valleys were practically deserts in which there were perhaps half a dozen wells which could be seen dotted about on a bare countryside, and where land could be purchased for Rs. 12 an acre. I revisited it the other day to find that I was able to motor for 60 or 70 miles along these valleys through a sea of sugar-cane, wheat and so forth, and ascertained that the land which used to be purchasable for Rs. 12 an acre was very difficult to obtain now for Rs. 400 an acre. That, in the space of 25 years, I think Hon'ble Members will agree with me, is a gratifying change.

"I now desire to mention certain matters with reference particularly to a remark of the Hon'ble Mr. Shukul. I understood the Hon'ble Member to say the other day that there was a serious deterioration in the condition of the people of the country, at all events in parts of the Central Provinces. Well, I confess at once that I do not know whether what Hon'ble Members have noticed in this regard is directly contrary to my own impression when travelling about India and contrasting the condition of the people as it appeared 25 years ago with what it is now. My experience is that one sees on every hand better houses, more wells, better comforts, better implements used by agriculturists in the rural tracts, and on the whole, if I may say so, a greater degree of prosperity. That, however, is an arguable proposition, and I do not wish to lay undue stress upon it. But I do wish to lay stress on, and draw the attention of this Council to certain extracts from, Mr. Mackenna's Report on the progress of agriculture in India which deal with facts which are incontrovertible and which have a great bearing on the correctness of an estimate which concludes that the condition of the people is deteriorating. I would first of all, if I may ask the indulgence of the Council, read an extract from page 15 :—

'The agricultural departments have been successful in demonstrating the improved agriculture of one tract to the backward cultivators of another, *e.g.*, the methods of transplanting rice, drilling and intercultivating cotton and other crops, green-manuring, the Poona

method of making *gur*, etc., and it is in these directions that Deputy Directors are doing the most useful work.'

Mr. Mackenna then goes on to give an extract from a report regarding certain operations in the Central Provinces at the Chandkhuri Farm; the Chandkhuri Farm having been established in an area hitherto entirely waste which the Hon'ble Mr. Shukul will recognise by the name of *bhata* lands :—

'These *bhata* lands lie higher than the more productive arable lands and are for the most part regarded as uncultivable; a very small proportion of them are poorly cultivated at long intervals to produce wretched crops of the lesser millets.....The original idea was to try growing green fodder crops under irrigation in order to substitute stall-feeding of cattle for the starvation-ration hitherto obtained by grazing.....This has been successfully achieved; but Mr. Clouston has not been satisfied with that success. He has gone on to try the cultivation of *bhata* lands, aided by manure and irrigation, with ground-nut, cotton and cane, and has made a startling success with all three crops.....The cost of cultivation is very little, and the nuts were found to be much larger than those grown in stiff black soil, hitherto regarded as most suitable for this crop.'

Similar good results were achieved in the case of cotton and so on. Water is available, and it only remains to encourage cultivation, and there are hundreds of thousands of acres which will be available to come under cultivation out of these barren lands.

"I will now give another quotation :—

'The cultivation of a short staple variety, *roseum*, in Berar has brought an additional crore of rupees to the cultivators. The introduction of Company No. 3, a selection from Karunganni cotton, which is an indigenous long-stapled variety, and Cambodia cotton, have produced markedly beneficial results. Similarly, in the Punjab, the cultivation of Mr. Milne's selection, 4 F, American cotton, is extending by leaps and bounds and this year it is expected to bring an additional 45 lakhs to the cultivators.'

In the canal colonies of the Punjab the department is pushing a selected wheat regarding which Mr. Mackenna says :—

'It is estimated that the growers of this wheat got an additional income of at least 2 lakhs of rupees as the result of the higher yield and the premium paid over the ordinary price of wheat.'

In regard to the Central Provinces again, I may draw Mr. Shukul's attention to the increased profits, from growing those wheats, which have been definitely established, at 'from Rs. 5 to Rs. 10 an acre,' and as there are 200,000 acres this brings an additional 10 or 20 lakhs a year to the cultivator. In Bengal, the selection of an improved type of rice 'Indrasail' isolated by Mr. Hector has also resulted in very great profits to the cultivators and in the year under report seed sufficient to sow over 20,000 acres was distributed through panchayets, while this year it is hoped to distribute enough for nearly 12 lakhs of acres. In regard to cotton in Madras in the 'Tinnevellies' tract, it is stated on page 25 :

'The selected strains Company No. 2 and No. 3 have been found to combine both good yield per acre and staple, and the Director of Agriculture calculates that the ryot who grew Company No. 3 cotton made a profit of some Rs. 28 per acre over those who grew ordinary Tinnies.'

"I hope I have not wearied the Council with the recital from this book of the progress of agriculture in India, but I felt that it was necessary to say something, however little, to show that, so far as the Agricultural Department are concerned, the claim to progress in the direction of benefiting the cultivator is not lacking in evidence.

"There is only one other reference I should like to make to what has fallen in the course of the debate from Hon'ble Members; and that is to the remark of the Hon'ble Mr. Chanda in reference to New Delhi, that its construction should be temporarily stopped. I may best refer him to the answer given by the Hon'ble Sir William Meyer to Mr. Basu last year. My Hon'ble Colleague said :

'As I explained the other day, we are just spending enough to keep things going to keep the scheme alive. That scheme is one which was brought into effect by the fiat of the King-Emperor, and it is the deliberate policy of the Government of India and of His Majesty's Government at Home. My friend was not in the Council two or three years ago; but if he had been, he would have had a striking exhibition of the way in which Hon'ble Members from other parts of India endorsed the project of the New City.'

"As was the case last year, so is it this year, that the provision for New Delhi is merely sufficient to prevent waste. I have already in answer to a question by another Hon'ble Member explained how largely the staff has been reduced and the rate of construction is merely such as to keep the scheme alive."

The Hon'ble Rao Bahadur B. N. Sarma:—"May I ask for information whether with regard to the 18 Imperial Forest officers, the recruitment is to be thrown open to all without regard to their race and only with a view to efficiency?"

The Hon'ble Sir Claude Hill:—"I am afraid I did not quite understand the point of the Hon'ble Member's question."

The Hon'ble Rao Bahadur B. N. Sarma:—"If I am not wrong, I remember having heard that sanction has been given for 18 additional Imperial officers in the Forest Department. I ask as to whether these officers will be recruited from Europeans as well as Indians irrespective of their caste, having regard only to their efficiency."

The Hon'ble Sir Claude Hill:—"The Hon'ble Member is quite correct. The recruitment will be made, under the orders and regulations at present obtaining at Home, through the Secretary of State in the ordinary way. Recruitment is not closed to anybody."

The Hon'ble Sir C. Sankaran Nair introduced the following heads of the Financial Statement for 1918-19:—

Revenue.	*Expenditure.*
Sanitation.	Sanitation.
Education.	Education.

"Sir, I beg to introduce the Education and Sanitation heads of the Financial Statement. Hon'ble Members will find at page 62 of the Financial Statement that the expenditure on Education continues to grow, and will next year considerably exceed all previous records. When I took over my present office in 1915, we were spending about 4⅓ crores of rupees a year. Last year we spent 5 crores, and next year we hope to spend over 6 crores. The number of scholars which seven years ago was barely 6¼ million was over 7 millions in 1916-17, and I trust that it will be found to exceed 8 millions in the present year, and that we shall make a further advance next year. This is not as great a progress as we might wish to see, but none the less it is a very distinct advance and one which we cannot ignore. The additional expenditure expected in 1918-19 is due partly to the new Imperial grant announced by the Hon'ble Sir William Meyer but also and to a still larger degree to a policy of educational expansion which has been adopted by all the Local Governments without exception. Our own grant is, as the Hon'ble Sir William Meyer stated, one of 30 lakhs, and it follows on a grant of 30 lakhs given last year for the training and pay of teachers. The grant for 1918-19 is like its predecessor intended to meet the needs of primary education. It will be available not merely for schools themselves, whether these schools are for boys or girls, but also for Inspectors and for the training and pay of teachers as far as primary schools are concerned. It is generally recognised that of the various pressing needs of education in this country, that of primary education is the most pressing, and we should have been glad to have been able to present to this Council some scheme which will provide in advance for the progressive extension of primary education in India, but as His Excellency has explained in his speech at the opening of this Session, the changes in our financial system which will be inaugurated as part of the contemplated reforms render it impossible for us at this stage to formulate any programme of this kind in advance. In the meantime we have, as the Council are aware, given an opening to the introduction in several provinces of schemes by which local bodies can enforce in their areas a system

of compulsory education, and the provincial budget shows for the first time a provision for meeting the expense of introduction of compulsory education. Hon'ble Members will find it at page 64 of the Statement. We have not ourselves adopted compulsion as part of our present programme, but we are anxious to see primary education increase by whatever means this increase may be obtained, and, on these grounds, we have included in our budget the new recurring grants of Rs. 30 lakhs for primary education. Of this sum, we are keeping one lakh in hand, and of the rest Madras would get 5½ lakhs; Bombay 4; Bengal 5½; United Provinces 4½; Punjab 2; Burma 1½; Bihar and Orissa 3; Central Provinces 1½, and Assam 1 lakh. A further half a lakh will be distributed as follows :—

	Rs.
Coorg	2,000
North-West Frontier Province	32,000
Ajmer	8,000
Baluchistan	5,000 and
Residency Areas	3,000

These grants are intended for the extension of primary schools on the present voluntary footing, but they will, of course, be available also for granting assistance in areas where compulsory education is being introduced.

"Turning to Sanitation or, as I should prefer to call it, Public Health, we contemplate here also a considerable increase in our expenditure. We spent Rs. 78 lakhs in 1916-17; we shall be spending 87 lakhs this year, and we hope to spend 107 lakhs next year. Most of the provinces have budgetted for an increase of expenditure and the increase contemplated in Bombay and Bengal is considerable. We have also provided for an increase of expenditure from the two items from which we ourselves make grants, namely, the sanitary grant and the grant for the Indian Research Fund Association. The reserve at our disposal from the sanitary grant was Rs. 6 lakhs. Of this sum, we have given one lakh towards the drainage of Peshawar, one lakh for the improvement of the Badrinath Kidernath pilgrim route, Rs. 75,000 for the relief of congestion in Ahmedabad and Poona, Rs. 80,000 for improvemen at Amritsar and for anti-plague measures at Rawalpindi, Rs. 60,000 for the relief of the congested town areas in the Central Provinces, and Rs. 90,000 for various sanitary improvements in Delhi. Next year we hope to have some 8 lakhs at our disposal, and some portion at any rate of that sum will be utilised in assisting Local Governments to provide for the improvement of the health conditions attending pilgrimages. For our other main source of expenditure—the Indian Research Fund Association—we should ordinarily have had 7½ lakhs available, but our Bacteriological Department is depleted owing to the war, and we temporarily surrendered 3½ lakhs out of this sum. Of the remaining 4 lakhs, we have put aside 1 lakh for the Hygiene Institute which will be an important branch of the School of Tropical Medicine at Calcutta, designed to give medical post-graduates an up-to-date training in public health such as is not at present available in India. We have also devoted Rs. 26,000 to improvements to the Central Research Institute at Kasauli and Rs. 16,000 to experiments in the improvement of vital statistics in Madras. The rest of our money has been allotted mainly to special lines of investigation, such as plague, diabetes, flies and hookworm disease. Hon'ble Members will perhaps remember the account which Sir Pardey Lukis gave us in this Council last year of the widespread debility occasioned by this last-named disease among the coolie class, and I am glad to say that during the present year a sum considerably exceeding half a lakh has been spent on the important inquiries into this hookworm disease which have been carried out by Lieutenant-Colonel Clayton Lane in Bengal and by Dr. Mhasker in Madras. We propose during the present year to continue our liberal support of the chief investigations which have been carried on during the present year, and if opportunity offers to extend further the scope of these forms of research. Our inquiries are, as I have stated, much circumscribed by the absence of many of the officers of the Bacteriological Department at the front, and at the present moment

out of a research staff of 31 officers 18 are on Military duty. There are at this time 17 officers engaged in laboratories or on special inquiries, of whom 9 are Indians: and in addition to these, Indian assistants have been associated in the investigations now under the conduct of European officers. We are in this way forming the nucleus of a body of indigenous experts who will, I hope, constitute a source of great future strength to the well-being of this country.

"I have made an allusion to the late Sir Pardey Lukis, and I wish before sitting down to remind the Council of the debt which we owe to him in the development of bacteriological research in India. Hon'ble Members are aware of his great services in other lines, but I think I am right in saying that he looked on this particular branch of his activities as representing in a special way his own contribution to the welfare of India. He was very closely associated with the inception of the Research Fund Association, and it was due to his constant efforts that the Fund was utilised, as it has been, for the investigation of the more prominent questions affecting public health in this country. In continuing the work on the lines which he inaugurated, we shall maintain it in the way he would best have wished to the memory of his services to India."

The Hon'ble Mr. H. Sharp:—"Sir, it is usual at this stage to lay on the table a short narrative dealing with the educational activities which took place during the last completed financial year. I think I explained last March that during this year the Quinquennial Review of Education would be published and that, therefore, no short narrative would be laid on the table. Instead, I beg to lay on the table the document generally known as 'Salient Features', which gives the more important figures of education in India and also in the individual provinces."

The Council then adjourned till Tuesday, the 12th March, at 11 o'clock.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915 (5 & 6 Geo. V, Ch. 61).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Tuesday, the 12th March, 1918.

PRESENT:

The Hon'ble SIR GEORGE LOWNDES, K.C.S.I., K.C., *Vice*-President, *presiding*, and 57 Members, of whom 52 were Additional Members.

RESOLUTION *RE* INCREASE OF THE EDUCATION GRANT FOR THE CENTRAL PROVINCES.

The Hon'ble Rai Bahadur B. D. Shukul:—"Sir, the Resolution which I beg to move is that:—

'This Council recommends to the Governor General in Council that the sum provided in the budget under the head of Education for the Central Provinces be increased by rupees 4 lakhs for the establishing of a University at Nagpur.'

"I do not think any apology will be needed from me, when I venture to make this modest demand of 4 lakhs of rupees for the establishment of a University at Nagpur in the Central Provinces, especially at this time, when all the resources of the State are being strained for the successful prosecution of the war. Sir, the matter is as important as it is urgent, and deserves a most sympathetic consideration at the hands of the Government and this Council. We, the Indians, are already grateful to Government for the striking proof that has already been given of the high regard in which the Government holds the cause of University education in this country, by the promptitude with which action has been taken to establish the two Universities at Benares and Patna, during the pendency of the war. The University education is the highest blessing that the British rule has conferred upon the people of India, and the people are now wide awake to the benefits of higher education and are eager to have it as easily and as cheaply as they possibly could. Sir, the signs of a general intellectual awakening are visible all round, which is a hopeful augury of the bright future that awaits India. The people of the Central Provinces also are desirous of joining hands with their fellow brethren of the other sister Provinces and keeping abreast with them in the march of progress that they are making. We belonging to the Central Provinces and Berar recognize as clearly as others that it is University, a University alone that 'provides the best teaching over the entire field of knowledge of which its own resources and the progress of science may admit; that offers this teaching to the widest range of students and moulds and shapes them not merely by the training of intellect, but by the discipline of spirit so that wherever they go, they may be worthy citizens or worthy servants of the State'. It was the noble desire of bringing 'through the natives of India the vast moral and material blessings which flow from the diffusion of knowledge'; that impelled the Court of Directors of the East India Company 60 years ago to establish Universities in this country. Of all the older Provinces in India, ours is the only 'ill-fated' Province, which has not been as yet blessed with its own University. The Government, we are glad, has already recognized the necessity of reducing the unwieldy jurisdiction of the present affiliating Universities, by means of establishing in different Provinces new Universities of a kindred type and at

the same time of founding at suitable centres, in different typical areas, Universities of a type, congruous with the prevailing conditions of the present times. Sir, it will be by this means only, and not otherwise, that it will be possible for the Government to give full effect to the pious wish of our beloved Sovereign that a net work of colleges and schools be one day spread all over this land. It is in pursuance of this already accepted policy of the Government of India, that I, on behalf of the people of the Central Provinces, request the Government that over and above the sum provided in the Financial Statement for expenditure under education, a sum of 4 lakhs should be allotted for the establishment of a University at Nagpur.

"Sir, a short history of the attitude of the Government towards the establishment of a separate University for the Central Provinces may not be out of place here. In this connection, I may be permitted to inform the Council at once that the question is a very old one. Hopes for the establishment of a University at Nagpur were held out to us, when the idea of some of the Universities which have but lately come into existence was not even conceived. The contemplated University for the Central Provinces was referred to in the Report of the Education Commission of 1882. The Universities Commission of 1902 also adverted to it in paragraph 29 of their Report and bore unequivocal testimony to the fact that 'the proposal to create a new University at Nagpur had received both official and non-official support.' Later on, the Government of India in their Resolution dated the 21st February 1913 while declaring the educational policy assured, that with a view to satisfy the aspirations of the people they contemplated the establishment of a University at Rangoon, Patna and Nagpur. Not long after that, the Central Provinces Government by their Resolution No. 682, dated the 8th July 1914, appointed a strong Committee consisting of officials and non-officials to consider a scheme for the creation of the University at Nagpur. The Committee, Sir, gave a very close and thoughtful consideration, and after seven months' labour produced an elaborate report, embodying a detailed scheme for the constitution of the proposed University. The Local Government invited public criticism on the said Report and gave the people an opportunity to express their own views on the subject. The Report was discussed threadbare at the meetings of the 4th Provincial Conference, Central Provinces and Berar, held at Nagpur in the year 1915 at which I have had the honour to preside, and a deputation was arranged to wait upon the Hon'ble the Chief Commissioner and place before his Honour the views of the Conference. This was done and a favourable and a sympathetic reply was received from the Government. Since then, the people have waited and waited very long and waited in vain. The people are becoming anxious, disappointed and almost hopeless, and yet the scheme has been hanging fire. For so many years past, and this in the face of repeated assurance from the Government and in spite of the sympathetic attitude which they have maintained towards this question all along.

"The Hon'ble Mr. M. R. Dixit, Bar.-at-Law, who is also Secretary of the Graduates' Association, Central Provinces and Berar, interpellated the Local Government on the subject on March 18, 1916, and received the following reply :—

'(*a*) The Government is not aware that the proposal for the Dacca and Patna Universities and for a University for Burma, have reached the advanced stage which is mentioned in part (*a*) of the question.

(*b*) and (*c*) With regard to parts (*b*) and (*c*) of the question, I would refer the Hon'ble Member to the reply which was given by the Chief Commissioner to the deputation which waited on him in January to present the resolution of the Provincial Conference. The reply was published in the press. The Chief Commissioner is aware of the interest that is taken in the subject in the Province, that in view of the voluminous criticism received and of the necessity at a time like the present for putting forward proposals which should be as practicable as possible, he must wait the detailed report on the scheme which is to be furnished by the permanent Director of Public Instruction; until the report has been received and considered, it is impossible to make a further statement on the subject.'

"Sir, I do not know of any statement having been made by the Local Government as yet although it is nearly two years that have passed since then. In compliance with the wishes of my constituents I asked the Government on 19th September 1916, if they had received any definite proposal regarding

the establishment of the University at Nagpur from the Local Government, and the reply received, as the Council must be aware, was in the negative. I repeated my question on the 12th September last and further asked the Government as to when a Bill for the establishment of a University at Nagpur was likely to be introduced in the Council. My friend on the opposite, the Hon'ble Member in charge of Education, then replied to the effect that 'proposals have been received from the Local Government for the establishment of a University for the Central Provinces and are now under consideration. It is therefore undesirable to publish the proposals at present and impossible to give a definite reply to the question when a Bill for the establishment of the contemplated University will be introduced.' Very nearly six months have elapsed since then and nothing is known as to what has been the fate of these proposals. It was expected that provisions for the establishment of the proposed University would be made in the ensuing year's budget; but that has not been done, even in the face of the bountiful surpluses at our disposal. Sir, this means another year's delay and the Council may take it from me that this indefinite postponement of such an important measure pertaining to the immediate welfare of the Province from time to time, is having a very discouraging effect upon the minds of the people which should not be ignored. Sir, there is ample material in the Province for the growth of the University atmosphere. At present there are seven colleges in the whole Province including the newly sanctioned college for the Berar at Amraoti. Further, there is an agricultural college, a medical school for the training of the Sub-Assistant Surgeons and an engineering school, all located at Nagpur. The latter two institutions, however, have been established but lately, and it is expected that these will soon be raised to the status of a college.

"As regards the progress of education, the number of students in receipt of collegiate education is increasing by leaps and bounds. The Central Provinces University Committee observed in their Report that 'the existing colleges contain about 1,100 students exclusive of undergraduates in the Training College. We, therefore, provide for an increase of approximately 850 students. In the quinquennium ending in 1912, the number of pupils in the High School class increased by over 50 per cent. in the number of students.' In the matter of secondary education as well the Province has made rapid strides during the preceding few years. The Hon'ble Mr. A. Mayhew, the Director of Public Instruction, Central Provinces, while speaking on this subject, stated in the Local Legislative Council on the 4th September 1915, that 'last year six High Schools were opened, three under private agency and three under Government. A large number of educational sections were opened in Government Middle Schools and some standards were added. 471 additional pupils were admitted to the High School classes and 20,708 pupils were admitted to the Middle School classes in these Provinces. Thus the time has come when the educational needs of the Province demand that the University already promised should no longer be denied to us.

"Before I conclude, I shall say just a few words in justification of the allotment I have asked for and I have done. The sum of 4 lakhs is indeed a very small amount in view of the needs and requirements of the entire University Scheme as drawn up by the Committee, but for the time being I would request the Government to provide 4 lakhs only, with a view to meet the cost of acquiring the necessary land, laying out sites and filling of quarries, etc. The Committee have estimated Rs. 3,25,326 for this purpose, but I have raised it to 4 lakhs in view of the considerable rise that has taken place in the prices of building materials and wages since the outbreak of the present war. As we all know the process of land acquisition is rather a long and dilatory process involving much delay, I hope the Government of India will not grudge to provide for the allotment I have asked for with a view to enable the Local Government to acquire land, etc., and be prepared to arrange for the construction of new buildings and the provision of necessary equipment soon after the Bill with regard to the Nagpur University is enacted. I do not think the acceptance of this Resolution will mean any financial embarrassment to the Government, as the requisite amount could be easily got either out of the surpluses or by the curtailment under the head of Civil Works.

"Sir, we stand on the eve of momentous changes, and in order that each Province may be in a position to work out its own salvation under the altered circumstances to be brought about by the constitutional changes now under contemplation, it is but in the fitness of things that every Province should be made self-contained, and as a prelude to that I hope and believe that this crying need of my Province will be immediately supplied."

The Hon'ble Sir Gangadhar Chitnavis:—"Sir, I beg to support this Resolution. The Nagpur University, which is so much desired by both the Government and the public, as all the new Universities in India, must conform to the higher ideal of a teaching and in some respects even a residential university. Necessarily its needs are great. Funds cannot indeed be too liberally spent to put it in a fit condition to discharge the important functions that will be assigned to it. There is everywhere in the Central Provinces a great demand for education, especially high education and education of a technical character. More colleges and more universities and more faculties are obviously required to meet the growing demand. Without ample funds no university can perform its duties according to modern ideals. It is only therefore just that we should have a larger grant for our university, and the figure suggested by the Hon'ble Mover is modest. More than half of this proposed grant will be required for the acquisition of grounds, and as prices of land are going up, it will be a good thing if the site is acquired as early as possible. This grant will enable the authorities to have this done."

The Hon'ble Sir C. Sankaran Nair:—"Sir, the Government desire the establishment of the Nagpur University at a very early date. The reasons for the delay I shall now explain at once. In 1913, we contemplated the establishment of a university at Nagpur, and invited the Chief Commissioner to submit his proposals for the establishment of that university. Later in the year, about November I think, he submitted a broad outline of the proposed university which he had in contemplation and informed the Government of India that he proposed to appoint a Committee to go into the whole question and submit a report to him. He submitted their Report in about November 1915. The cost according to the Report of the Committee amounted to about 90 lakhs capital and 8 lakhs recurring. He realised that it was impossible in the financial conditions now prevailing to start the university according to that scheme, and accordingly submitted a more modest scheme which required an outlay of 13½ lakhs capital and 2½ lakhs recurring. The Chief Commissioner came up to Simla and we had a conference with him; we had also the Patna University scheme before us; there were questions concerning the type of the university whether it should be of the unitary type as opposed to a collegiate or federal type; questions concerning the elective element on the Senate and Syndicate, and questions concerning the power of the executive Government to interfere. All these questions arose as I said also in connection with the Patna University and Hon'ble Members are aware of the great differences of opinion that existed on all these various questions. A compromise was no doubt arrived at with reference to the Patna University, but that was a compromise which, though accepted no doubt by the representatives of Bihar here, official and non-official, was unacceptable to the representatives of other universities with reference to other universities. The result was that we felt that these questions required very careful consideration; at that time the Calcutta Commission was appointed. Even with reference to the Patna University the question arose whether it would not be wise to defer the consideration of the Patna University scheme pending the report of the Calcutta Commission. In those circumstances, the Government felt that it would not be right to go on pending the report of the Calcutta Commission who were expected to deal with all those questions. Further, we also hoped that we might be able to submit the Nagpur University scheme, if not to all the members of the Calcutta Commission, to some members at least. Therefore, we have put it off till the receipt of the report from them. That is the reason of the delay. We have already, as Hon'ble Members are aware, made provision for the acquisition of a site for the university. We have allowed the Chief Commissioner the amount which was required by him for the acquisition of

that site. Whether any additional sum would be required, as my Hon'ble friend seems to think, I am not now in a position to say. At any rate the Chief Commissioner has not asked for any increased grant. The Hon'ble Members will, in these circumstances, agree with me that so far as this Government is concerned, we have given indications of our earnest desire to go on with the establishment of the university. I assure them that the Government will do all they legitimately can to establish the university at an early date. With this assurance I trust the Hon'ble Member will be satisfied and will see his way to withdraw his Resolution. There are technical difficulties with regard to the Resolution as he has put it forward, but I do not want to refer to them. If, however, he wishes to press the matter to a division, then I have to oppose the Resolution."

The Hon'ble Rai Bahadur B. D. Shukul :—"Sir, I thank the Hon'ble Member in charge of Education for his relating the short history of the whole scheme as it now stands, and, in view of the definite assurances given by him and the situation explained, I beg to withdraw my Resolution. I do not mean to press it."

The Resolution was, by leave of the Council, withdrawn.

THE FINANCIAL STATEMENT, 1918-19.

The Hon'ble Sir George Barnes introduced the following heads of the Financial Statement for 1918-19 :—

Revenue.	*Expenditure.*
Salt.	Salt.
Excise.	Excise.
Posts and Telegraphs.	Customs.
Stationery and Printing.	Posts and Telegraphs.
State Railways.	Stationery and Printing.
Subsidised Companies.	Protective Works, Railways.
	Subsidised Companies.
	Miscellaneous Railway Expenditure.
	Capital outlay on State Railways.

"Sir, I beg to introduce the heads of the Financial Statement for 1918-19 which stand below my name. As has been the practice in former years, I will ask my Hon'ble friend, the President of the Railway Board, to deal generally with the subject of Railways. I cannot, however, pass railways by without emphasising the great importance of the special reserve fund of £20 million sterling which is being made this year. This provision will enable us to embark on fresh railway construction directly materials are available. I know that my friend Sir Hugh Bray regards this 20 million sterling as an inverted form of conscience money, and doubtless he also regards the provision for railways in the coming year as a very meagre one. I agree that it is meagre, but it is not meagre because of any stinginess on the part of our Finance Member, but owing to the necessities of the position. My instructions to the Railway Board were to frame estimates for the coming year up to the maximum which could be spent with advantage. The figure which appears in my Hon'ble Colleague's Financial Statement represents the whole of what we are able to spend. My Hon'ble Colleague has been anxious to help the railways to spend all that they can usefully spend, and I know that it has been a great disappointment to him—perhaps the only disappointment,—that owing to the war we have not been able to make more rapid progress with railway development in India. The Government as a whole fully realise that the building of more railways in India is vital to the best interests of this country.

"To turn then to the subject of Posts and Telegraphs, I do not propose to weary Council with any repetition of the figures which have already been laid before them, but I think that it would interest Council to know the very heavy calls which have been made on the Department in connection with the war and to be told of the large number of the postal and telegraph staffs who are

at present serving in the field. It has been with the utmost difficulty that the Director-General of Posts and Telegraphs has been able to comply with the very heavy demands which have been made upon him. At present the total postal establishment with the various Expeditionary Forces consists of 23 Supervising Officers, 756 postmasters, inspectors and clerks and 659 menials, while there are 127 field post offices. The number of field post offices a year ago was 112.

"With the great increase of work both in the field and in India, it has been found that the General Post Office at Bombay is no longer able to combine its ordinary functions with that of Chief Base Office, and a separate Base Post Office for overseas forces has had to be opened there. It may also interest Council to hear one of the results of the curtailment of shipping facilities owing to the shortage of tonnage. The result to which I refer is the increased recourse which has been had to the foreign parcel post to some places, owing to the lack of tonnage. In some directions the use of the parcel post has expanded far beyond its legitimate scope. The abuse became so serious that in some cases restrictions had to be imposed. As an instance of the way in which the parcels post is used, I may mention that on one occasion a single individual in Basrah by a single post received 5,101 parcels from India weighing altogether 24 tons.

"Demands on the Telegraph Branch have continued to be heavy throughout the year, but I am glad to be able to say that these have at all times been met, although generally with considerable difficulty. At present roughly 2,500 members of the engineering and 700 of the traffic staff are working with the various Expeditionary Forces. The chief of these of course is Mesopotamia. As I mentioned last year, the unit charge for ordinary Inland telegrams was raised from 6 to 8 annas. This had the desired effect of checking the rate of expansion of the traffic, but notwithstanding this, the traffic has shown a small increase over the figures for the corresponding period last year. This has imposed a severe strain on the operative staff of the Department, and I can safely assert that had not the rate of increase of traffic been checked by the enhanced tariff, it would have been impossible to have had it dealt with efficiently by the staff, depleted as it is by the large number of men who have been deputed on field service. As regards engineering work during the year, in accordance with the policy which has been in force since early in war, no extra lines have been erected when these could possibly be deferred, but it was found that some additional lines were required in various parts of the country for the prompt disposal of the increased traffic, and that the provision of these could not with safety be postponed any longer. Accordingly, a certain number of important lines have been sanctioned, and their erection is now nearly complete. From the foregoing it will be seen that, notwithstanding the adverse circumstances, the record of the Department has been one of continued progress and the volume of the work has continued to expand. For this the staff of all grades deserve the greatest credit, and the way in which they continued to carry out their duties merits the highest praise. Government decided, I am glad to say, to ask the sanction of the Secretary of State to the grant of the same bonus to the staff of the Post Office and Telegraph Department as was given to the railways, and I am glad to say that the recommendation has been accepted. These two Departments have earned this special consideration by reason of the strain imposed on them ever since the war started.

"In particular, I should like to call the attention of Council to the good work done by Sir William Maxwell throughout the year in successfully meeting the extraordinary demands which have been made on the Post and Telegraph service not only in India, but throughout Mesopotamia. It is difficut to exaggerate the burden which has fallen on him in this respect and in the work of piloting the Department through a time of great stress and strain. I am only sorry that owing to sickness he is not here in his place to-day to hear what the Government, and I am sure all of you, think of his services.

"I turn now to the next item on the list, that of salt.

"In dealing with the subject of salt, I unfortunately find myself in the same position as I was last year in stating that one of our principal anxieties has arisen from the abnormally high prices which have prevailed. The rise in

prices is no doubt due mainly to a curtailment of the normal supplies of foreign salt owing to tonnage difficulties. This, however, by no means accounts for the very rapid and speculative rise which took place in November and December last. We have taken every practical measure to cope with the situation. The first steps taken were steps in the direction of increasing the supply of salt, and with this end in view we secured rather more than a year ago what we believed was the best advice to be obtained in India, namely, that of Mr. Glen George, a highly skilled colliery engineer. Mr. Glen George gave us a very valuable report showing how the output of the Khewra mine could be increased with safety to the mine, and I may add that his services were generously placed at our disposal without remuneration by Messrs. Yule of Calcutta. Mr. Glen George's report has since been acted upon, and I myself paid a visit to the mine in October last. I hope that the net result of the improvements which have been made and are being made will be to double the previous output by the middle of next month. Apart from the Khewra mine, the largest internal supply of salt for Northern India has been the Sambhar Lake in Rajputana. In this case, unfortunately, there is no possibility of increasing the output this year owing to the heavy floods of the last monsoon and the consequent difficulties of evaporation. Apart from internal supplies, we are endeavouring to secure the assistance of the Shipping Controller in providing tonnage for increased supplies of salt from Aden and Port Said. In order to meet the efforts of the speculators in salt, we took powers last November to give priority at the salt mines and at the Sambhar Lake to indents by any local authority, and we wrote to the various Local Governments concerned urging that salt depôts should be established for the sale of salt at reasonable prices. In consequence of this suggestion, salt depôts have been opened by many of the Local Governments, and I think that you may find an example in Delhi of a depôt opened by my Hon'ble friend, Mr. Hailey, the Chief Commissioner. We have further taken powers to control the price of salt, where necessary, in the interests of public safety, and these have already been acted upon in the Presidency of Bengal. The result of these steps has been a welcome fall in the price of salt throughout the country. We all recognise how important the price of salt is, and no efforts will be spared to keep the price of salt down to a reasonable level.

"The question of the high price of salt leads me on to the high prices of other commodities. I know that Hon'ble Members take a deep interest in the difficulties which are being felt by the poorer classes on account of the high prices of cotton cloth. The Government of India have been considering this difficult question with anxiety and this anxiety has been increased by the recent outburst of speculation in raw cotton. Any control of prices, the Government feel, can only be carried out with the co-operation of the persons interested in the trade, and with that end in view, Government have appointed a Committee consisting of :—

1. Mr. R. H. Brooke of the Bombay Company.
2. Mr. N. B. Saklatwala of Messrs. Tata Sons and Company.
3. The Hon'ble Purushottam Thakurdass.
4. Mr. C. N. Wadia.
5. Mr. Mangaldass Girdhardass.
6. Mr. J. P. Chrystal of Messrs. Chrystal and Company.
7. Mr. Pestonji N. Masani of Messrs. Masani and Company.
8. Sir Bezonjee Dadabhoy Mehta of the Empress Mills, Nagpur.
9. Mr. Thomas Smith, Managing Director of the Muir Mills Company, Cawnpore.
10. Sir Clement Simpson of the Buckingham Mill Company, Madras.

Mr. Silver, Controller of Textile Supplies with the Munitions Board, and formerly Director of Industries in the United Provinces, will also be asked to join the Committee. The Committee will be presided over by an officer to be appointed by the Government of Bombay, and will begin their sittings in Bombay as soon as possible, and will among other things advise Government

whether it is possible to fix a scale of mills charges for cotton piece-goods, and whether for this purpose it will be necessary or practicable to control in any way the price of, or operations in, raw cotton.

"In conclusion, there is one point to which, I think, I ought to draw the attention of Council in relation to the Customs figures. You will notice a reduction in the estimated receipts from Land Customs. This, though of no financial importance, has a certain significance, as it is mainly due to the abolition of the Kathiawar Land Customs Line—a change which has long been supported by several members of this Council. The Kathiawar Customs barrier has been a long-standing question of considerable difficulty, and I personally welcome its final disappearance, and am confident that the action which has been taken will be a considerable step forward in advancing the industry and commerce of the Kathiawar States. Passing to the more important figures of the Customs estimates, we all realise the effect upon our import and export trade of freight difficulties and of the restrictions which it has been found necessary to impose for military reasons. I do not, however, wish to pass from the subject without once more paying a tribute to the patriotic and ungrudging spirit in which all these restrictions have been accepted, and all these difficulties have been faced by the commercial community in this country. It is right too to express again my appreciation of the work of the Customs staff of all ranks upon whose shoulders a heavy burden of work and responsibility has been thrown."

The Hon'ble Sir Robert Gillan:—"Sir, for the reason just stated by the Hon'ble Sir George Barnes the Financial Statement with which we are now dealing is one of great interest and importance to railways. The Hon'ble Finance Member has always been most sympathetic to the development of railways in India. He has recognised, as every one must, the severe disability under which the railways have recently been placed inevitably as regards development. But he has not been satisfied with recognising a fact: he has provided a remedy. By reason of the reserve which he is laying by, railways and trade equally will view with more equanimity a difficult future.

"In the general debate, so far as railways are concerned, which arose out of the Financial Statement, two matters mainly emerge.

"The first is the enhancement of passenger fares, but as this has been made the subject of a separate Resolution, it is not necessary for me to deal with it now. I should like to refer to the second which is the development in this country of railway industries. As I explained in speaking on a Resolution moved by the Hon'ble Mr. Sastri railways have in the past been hampered by the defective development in India of what from their point of view are the primary industries. But our hopes for the future are bright; we shall shortly get in the country the different kinds of steel which we require, plates and so on, and railways, I am sure, will do their utmost to take advantage of the change in the situation and develop the industries which this change makes possible. We have recently given a substantial indication of our desire to move in this direction by making the announcement to which I am glad that the Hon'ble the Maharaja of Kasimbazar referred, of a guarantee of 3,000 wagons a year to be built in India for ten years. We hope that this guarantee will enable the wagon industry to be established on a firm foundation in India.

"But now, Sir, to turn from our recent debate I venture to hope that I may be permitted on this occasion to deal with the subject of Railways in rather a special manner. The position of railways at the present time is altogether special, and I should like to take the opportunity of explaining it.

"In the first place, it is obvious that railways could not before the war have equipped themselves for duties which it had never been foreseen that they might be called on to perform. If there was want of foresight in this respect it is scarcely the railways that can be blamed for it: the fault, if fault there was, is common to the whole Empire. But apart from this I desire to lay stress on the fact that the railways are not merely what they have been made in say the last ten years. The materials in them and their rolling stock may be five years old

or thirty; their administrative methods may go back a long time or may be recent improvements. But while there has been enormous growth there has been continuity. In the matter of personnel particularly, which is of supreme importance, if we are to understand the railway position, we must remember that railways are rather what they have made themselves in the last 50 years. The railway staff have inherited an ancient and honourable tradition.

"Now we have to consider how railways have met the present crisis. A review which I saw in a newspaper the other day, of our Administration Report, was headed in large letters 'Splendid war work.' That is the kind of appreciation which railways value in the midst of many discouragements and disappointments. To understand the part that our railways have played in the war we must not confine our views to India; we must look, I was going to say, over almost a hemisphere—Mesopotamia, Palestine and East Africa. In Mesopotamia the railways are Indian, lock, stock and barrel; in Palestine the rails that have taken the line as we were told the other day as far as Jerusalem are Indian rails; and much stock and material has gone to East Africa also. In the matter of personnel also, and it is on personnel throughout that I wish to lay stress, we have given much help. Altogether railways can well claim that their share has been one of the most considerable items in India's contribution to the war.

"Next as regards the internal situation. Sir, it gave me much pleasure to hear the other day the handsome compliment which the Hon'ble Finance Member paid to railways in this Council. On behalf of our railways, I thank him for it. I can best illustrate his statement in which he said that the railways have rendered splendid service by a reference to our revenue figures.

"The Accountant General, Railways, told me that not many years ago he consulted a railway officer about the estimate he was making of the Railway Revenue in the coming year. The officer who was a very capable and experienced man said that he thought the Accountant General's figure was excessive, because railways simply would be unable to carry so much traffic, the figure in question was 56 lakhs, and the estimate for next year is 70 lakhs, a clear addition of no less than 25 per cent. ....."

The Hon'ble Sir William Meyer:—"My friend means crores, does he not?"

The Hon'ble Sir Robert Gillan:—"I beg your pardon, 56 crores and 70 crores. I think the results have fairly astonished railway men themselves. They have been achieved by unremitting attention directed to ease the position wherever the pressure of traffic indicated a want of capacity; they have been accomplished only by the exercise of much ingenuity and above everything else by sheer hard work. And hitherto the railways have been able to claim—not indeed that there have been no inconveniences—I do not wish in any way to minimise the inconveniences which have been great, but that they have in one way or another taken all the traffic that came. In the last Administration Report the Board said: 'On no occasion, whether called on to undertake an entirely new work such as the manufacture of shell, to carry out against time the construction of new railways or to deal with a sudden press of essential traffic, have the railways failed to do what was required of them.' I am jealous that railways should not now lose credit, because requirements are rising to a point which constitutes an impossible demand on them. The primary fact which is well recognised no doubt, but which must be emphasised for any proper understanding of the position, is that immediately on the outbreak of the war the withdrawal of shipping threw on to the railways a very large amount of traffic which used to go by sea. We dealt with the position by giving preference to certain classes of traffic, coal, military stores, and so on; other traffic had to move when it could, but in spite of interruptions and inconveniences, the system worked because there was on the whole room for other traffic. The shipping difficulties, however, have gone on increasing, and the preferential traffic is constantly growing till now there is *not* room. A new situation is thus created, and I cannot conceal from the Council that there are very difficult times ahead of us. For this situation there is no heroic remedy

possible. We are trying to meet it in three directions. In the first place, the departments of Government concerned are effecting all possible economies in preferential traffic. This is a very large matter, involving in fact, as the Council will recognise, the co-ordination of requirements with the sources of supply so as to require the minimum amount of railway transportation. Secondly, we have consulted Local Governments with the idea of setting up a provincial machinery which will enable railways to discriminate the essential movements in what we have hitherto regarded as general traffic, for such movements must under the conditions which we have now to face be given a definite and in fact a high degree of preference; on the other hand, they may be able to eliminate other movements as unnecessary. Lastly, the conditions which have now arisen justify us in pressing again and more strongly either for relief to be given to railways by the provision of a certain amount of more shipping or by the provision of more rolling stock. Under this last head, we must acknowledge that the difficulties are extreme, but we may hope that something will be found possible. I do not pretend that our difficulties will be removed; on the contrary, I must say plainly that they will increase and become more and more acute as time goes on. But when troubles come as they must come, let us remember this. It would be absurd of me to talk of railways adopting a selfish policy, or, on the other hand, of sacrificing their interests. It is a matter quite obviously not of railway policy, not even of Government of India policy, but of Empire policy. We have taken and hold Baghdad, we have taken and hold Jerusalem. These are truly Koh-i-Noors added to the Crown of Empire. Soldiers won them, but it was the railway man—the Indian railway man—who helped the soldiers.

"In conclusion, may I go back to the railway staff. The machine is much, but it is the men behind the machine that counts, and it is the question of staff which therefore is paramount. I may begin with a railway man who has got to the very top. I saw a paragraph about him the other day in a newspaper. It was headed the Geddes Family:

"'A painful impression,' it said, has been created by a revelation which comes from Scotland. It appears that in that gifted country there is another Geddes brother who is not a member of the Government or even the chief of any administrative commission! He is merely plain Mr. Geddes, the head of a large mercantile concern. How,' it is justly urged, 'can we expect to win the war if we neglect the obvious precautions for national safety?'

Sir Eric Geddes truly has had an astonishing career. It is not as if he had been a Member of the Railway Board or even the Agent of a railway; he was Traffic Manager on the Rohilkund and Kumaon Railway. But Sir Eric Geddes is only one example, there is General Nash who was Secretary to the Agent, East Indian Railway, and who, if not so well known to the public, has in the Railway Administration in France followed close behind Sir Eric Geddes. Then there are numerous Royal Engineer Officers, who have distinguished themselves in the same field of work, and if these officers belong to a world-wide corps, the fact remains that they got all their railway training in India, and it is a matter of much satisfaction that they should in competition with the best men from Home have so distinguished themselves. Nor are Railway Officers without honour in their own country. When a Munitions Board is formed Sir A. Anderson has to be one of its Members. When control over coal becomes necessary Mr. Godfrey is the man chosen for an extremely important and difficult task. But I can mention only a few names, and we have to think of the whole great army of hundreds of thousands of railway workers throughout India under all their officers. It is these men who bear the burden and heat of the day and deserve the credit of whatever railways have been able to achieve, whether on war work proper or railway working. As regards war work, I may take as an example the East Indian Railway, since within the last few days I have received a fresh copy of their list of officers and men serving in the war. This shows a total of 663 men, on active service, on Government service in East Africa or Mesopotamia and on Munitions work. I congratulate my friend to my right that in this fine list there are five Banerjees. Of these East Indian Railway men 16 have been killed in action, 20 wounded, 15 died; 2 have received the D. S. O., 6 the Military Cross, 1 the D. C. M., 6 have been

mentioned in despatches; 26 received commissions in the British Army, 41 in the I. A. R. O. Thus our railway men are in touch with the heart-shaking events of war. Many of their comrades, many of their relatives have gone to the front. As regards railway working the Board said in their Administration Report—

'The results are a tribute to the efficiency of the staff as a whole and were rendered possible only by the co-operation of all ranks from the highest to the lowest. The Railway Board desire therefore to conclude their report with an acknowledgment of the devotion to duty of all grades of the railway staff and of the success they have attained.'

"Let me add a reference to what I said at the beginning of my speech. An army is worth nothing without morale, but the Indian railway staff have inherited as I said an ancient and honourable tradition. That tradition they have throughout times of extreme stress and difficulty nobly maintained. As one who has intimate knowledge of all the facts I claim that Government, India and the Empire owe to this staff a great debt of gratitude."

RESOLUTION *RE* REDUCTION OF RAILWAY FARES.

The Hon'ble Pandit M. M. Malaviya:—"Sir, I beg to move the following Resolution, namely, that—

'This Council recommends to the Governor General in Council that he should be pleased to direct the Railway Board to order the withdrawal of the enhancements made during the year 1917 in the rates of the passenger fare over the Indian Railways.'

"It will be obvious, Sir, that my Resolution confines itself to the enhancements made during the year 1917 in passenger fares. I do not refer here at all to the Freight Tax or any other profits which have been made during the last year in addition to those which were expected. The enhancements to which my Resolution refers were introduced, as I said in my speech at the first stage of the financial discussion, on the ground that they were necessary to discourage travelling. I pointed out that it was not necessary in order to achieve that object to enhance the rates, as that object had been partly achieved by the curtailment of the train services and could be further achieved by a restriction on the issue of tickets and, where necessary, by return of the fares which people might have paid for tickets when they could not obtain accommodation in the trains. I do not know, Sir, upon what ground it could be justified, but so far as I can see the reason which has been assigned for it certainly did not in my opinion justify the enhancement of fares. Now what has been the result of the enhancement? We find it stated at page 91 of the Financial Statement that while 62 crores was budgetted as the estimate for last year, the result has proved more favourable, and the revised estimate was placed at 68·25 crores; and now we have the estimate for the next year at 70·50 crores. This substantial improvement, the Statement explains, occurred on almost all the principal railways, and was due mainly to larger receipts from the carriage of troops and military stores and from wheat and coal traffic. But the enhancement of rates and the withdrawal of concessions have also contributed to a certain extent towards the railway earnings of the current year. Owing to the courtesy of the Hon'ble Sir Robert Gillan, I hold in my hand an abstract showing what amount of increase has been earned by railways on account of these enhancements. The result shows that, as compared with the corresponding period of the previous year (1915-1916), the third class shows a decrease of 29 million passengers, or 13·95 per cent. in the earnings. Taking the whole of the passenger traffic in all the four classes there was a decrease of 36·70 millions in the number of passengers, of which 80 per cent. was in the third class; while the earnings showed an increase of 61·92 lakhs, of which 5·8 per cent. was contributed by the third class.

"Now, Sir, the third-class passenger, as I showed the other day, contributes largely to the profits of the railways, and I showed that he has been contributing to a very large extent compared to the expenditure incurred on his behalf by the railways. Even when you take account of the interest charges and of the Sinking Fund, the profits earned are not unsatisfactory. But the

result of this further enhancement has been that 61·92 lakhs, of which 95·8 per cent. came from the third class passenger, has been taken from the pockets of the travelling public and added to the revenues of Government. A further result of this has been that, while the larger portion of the revenue has come to Government, we read in the Financial Statement at page 91 that under surplus profits paid to the companies there was an increase of 11 lakhs due to the profits earned in the second-half of the current year, payment of which will be made next year. While, therefore, the larger portion of the profits has come to Government, a very substantial portion has been added to the profits of companies owing to the enhancements effected in passenger fares. I do not see, Sir, how these enhancements were justified, and it seems to me that they ought to be discontinued in the next year. It has never been said that this was done with the object of obtaining greater revenues; and if it was not, but merely results in larger revenues being obtained, then the matter ought to be re-examined. What was earned last year was earned; but during the present year, both in view of the surplus in hand, and in view of the fact that it is not necessary, in order to discourage people from travelling, to keep up these enhancements, they should be withdrawn.

"If that is my objection to the enhancements already effected I have also an objection to the manner in which it was done. The Railway Act does not, so far as I can see, provide or lay down any rules by which the rates of fares should be determined. Neither the Act nor the rules made under section 47 contains anything as to who should fix the rates and rules for passengers, etc. In the contracts which have been entered into by Government with companies there is a provision fixing the maxima and the minima rates. I may refer, for instance, to the latest provision that is to be found in the contract between the Secretary of State in Council of India and the South Indian Railway Company, dated 21st December 1910. There it is laid down that:

'The Secretary of State shall from time to time authorise maximum and minimum rates within which the Company shall be entitled to charge the public for services rendered by way of or in connection with the conveyance of passengers or goods on the undertaking and shall prescribe the several classes and descriptions of passengers and goods to which such rates shall be respectively applicable, as well as the extent to which, within the maxima and minima so authorised, the Company may vary the said rates in respect of the distance or weight or special conditions under which such conveyance takes place or services are rendered.'

"I should like to know, Sir,—I hope the Hon'ble President of the Railway Board will tell us something of the procedure by which the variations between the maximum and minimum rates are secured. Evidently what happened, so far as the report of the Railway Board shows, was that the Railway Board felt that traffic should be discouraged, and they held a meeting at which they agreed that as a general principle fares and rates should be enhanced to their maximum in order to discourage travelling with a view to avoiding overcrowding and curtailing train services, and at a subsequent meeting they brought about these enhancements. I should like to know whether the matter was considered only by the Railway Board, or whether the Executive Government were also asked to consider the matter and accorded their sanction to the proposal. It seems to me, Sir, that the procedure by which this enhancement has been brought about, and can be brought about, is open to great objection, because here it is in the power of the Railway Board, acting in consultation with the Agents of the Railway Companies, to impose what undoubtedly is a great deal of extra taxation on the people. I quoted the other day the opinion of Major Conway Gordon, who said that any amount taken in excess of what was required was undoubtedly extra taxation; and I submit that here we find the Railway Board, either with the consent or without the consent, of the Executive Government, imposing a very heavy extra taxation without the matter at all coming before the Legislative Council and without the public who are concerned in the enhancement of these fares being given any opportunity to have any say about the matter. In the matter of freights, Sir, as there is no provision about the increase of freights in the Railway Act, I find that the Government felt it necessary last year to have an Act passed, and the Freights Tax Act—or rather, the Railway and Steam Vessel Tax Act, XIII of 1917, was

accordingly passed to enable the railways to take a surcharge on the goods traffic.

"Well, that was a matter of surcharge and they may have felt that there was a special necessity for having legislation on that point. But I do not see why there should not be some provision in regard to the enhancement of fares. In England, there is a provision in the Railway and Canal Traffic Act, 1888, in regard to proposed increases in reference to goods traffic, and it is provided that the revised classification should not come into force unless it has been enacted by the Houses of Parliament. The provision shows that the Act of Parliament confirming any provisional order which the Commissioners under the Act are authorised to pass shall be a public general Act, and the rates and charges mentioned in the Provisional Order as confirmed by such Act shall, from and after the Act coming into operation, be the rates and charges which the railway company shall be entitled to charge and make. When the Provisional Order is passed, the public have an opportunity of having their say as to whether the proposed enhancements are right and proper, and then the matter comes up before Parliament before those increased rates and charges can be brought into operation. I think, Sir, that there should be some such provision in our Railway Act, too. But, however, at present I am speaking without full knowledge of what procedure was adopted in those circumstances. I hope my friend, the President of the Railway Board, will enlighten the Council on this point. In any event, so far as the present enhancements are concerned, I would ask the Finance Member of the Government to consider whether the enhancement should not be withdrawn in the next year."

The Hon'ble Sir George Barnes:—"Sir, my Hon'ble friend, the President of the Railway Board, has dealt with the heading of railways to-day, but he tells me that he feels a delicacy in replying to the Hon'ble Pandit Madan Mohan Malaviya's Resolution because of the way in which it is framed. The Resolution, you will notice, asks that directions should be given to the Railway Board by the Government, and consequently it is, perhaps, better that the resolution should be dealt with by myself. I will, however, ask the Hon'ble Sir Robert Gillan to say a few words about the legal aspect of the matter to which the Hon'ble Pandit referred just now. The Resolution asks 'that the Railway Board should be directed to order the withdrawal of the enhancement made during the year 1917 in the rates of the passenger fares over the Indian railways.' The great fact we have to keep in mind is that owing to the heavy demands which are made upon railways as some of the results of the present war, they are unable to carry all the traffic which is offered. This is partly due to the fact that coal which was formerly carried from Calcutta to Bombay and Karachi by sea has now to be taken across India in railway wagons. As His Excellency informed Council in his opening speech, no less than 40,000 wagons are continually occupied in this way. There are further heavy demands of a purely military character, and we are at the present time unable to carry by railway a great deal of merchandise which is necessary for the comfort and well-being of the people of this country. In these circumstances, we decided to take the step which is being taken in England and France in a far more drastic way and cut down our passenger service to some extent. The subject was thoroughly discussed with the different railways, and reductions were made which finally amounted to 16 million train miles a year, that is over a million and a quarter train miles per month. The reduction in capacity, however, was not so much as these figures would indicate, for if the trains were fewer, they were heavier, being run at reduced speeds with heavier loads. There was, however, of course a large reduction in capacity. It was impossible for Government to accept the situation in which it was certain that the trains would be besieged by passengers far beyond the capacity of railways to carry them; not only in such conditions would there be great inconvenience to everyone desiring to use the railways, but the risk of serious accidents. It was essential in the circumstances to reduce travel, and the Government took the only economic step at their disposal, namely, that of slightly enhancing the fares. The measures taken have been in some degree effective. In the half year ending 30th September 1917—the latest figures which I have—

the number of third class passengers on 14 of the principal lines was 30 million less than in the corresponding half of 1916. But, in spite of this reduction, there has, I regret to think, been serious overcrowding. The number of people wishing to travel has not been reduced in proportion to the capacity of the trains to carry them. The Hon'ble Pandit, if I follow his argument rightly, says—

'Your object in enhancing the fares was not to make revenue, but you have made revenue, and therefore you ought to withdraw the enhancement.'

I must point out to him that if fares were now to be reduced to their old level, we should immediately be faced with the difficulties I have described. I recognise fully the inconvenience to which the public travelling in every class are put at the present time. As the Hon'ble Mr. Surendra Nath Bannerjea said the other day, we have increased the fares while reducing facilities, but I hope that it will be clear to him from what I have said that the two things really go together. I recognise also the hardship involved in an enhancement of fares to the poorer classes of the community. It was in fact a measure to which we were only with reluctance brought, but it is a necessity of the war, and in this connection I should like to point out that India in the way of travelling facilities as in every other way is suffering far less than any part of Europe and than any of our Allies with the exception perhaps of Japan. I regret, Sir, that it is not possible for Government to accept this Resolution."

The Hon'ble Sir Robert Gillan:—"Sir, as desired by the Hon'ble Sir George Barnes, I may say a few words with regard to the point that was raised by the Hon'ble Pandit. It seems to me that he was really raising in his speech the very largest constitutional questions. He desires, as I understand him, that the maximum rates and fares should be fixed by legislation. That seems to me....."

The Hon'ble Pandit M. M. Malaviya:—"May I interrupt my Hon'ble friend, Sir. I did not say that the maxima should be fixed by legislation. I said that there should be a provision that when fares are raised, it should be by legislation."

The Hon'ble Sir Robert Gillan:—"It seems to me to be very much the same thing. And at any rate it seems to be irrelevant to the present discussion. The method under which fares are dealt with at present may in the Hon'ble Pandit's view be objectionable; but there is no question about its legality. As he read out to us, the companies are restricted in dealing with rates and fares within certain maxima which are fixed by Government, and it is naturally within the power of Government to enhance these maxima when they consider it necessary. I should like to add that the increase of the maxima in regard to the third class was in fact a very small matter. We allowed the maximum to be raised only for mail and fast passenger trains, because some of the Agents considered that that would be desirable. Other Agents have met the difficulty by not allowing intermediate and third class passengers to travel by mail and fast passenger trains who are going for less than a certain distance, and there is in fact only one Company, the Great Indian Peninsula, who to some extent have taken advantage of the opportunity to raise their fares and they have introduced for trains of this kind a fare of $3\frac{1}{2}$ pies instead of 3 pies which was the old maximum."

The Hon'ble Pandit M. M. Malaviya:—"With regard, Sir, to the remarks which my Hon'ble friend the Member for Commerce and Industry has made, I wish to emphasise that I do not complain of the curtailment of the train services. I recognise that in war time curtailment of the train services is necessary. My complaint is that when the services were curtailed, it was not necessary to enhance the rates in order to prevent over-crowding. The

Hon'ble Member himself has said that in spite of the enhancements made there has been a great deal of over-crowding. Now the method that has been adopted to remedy over-crowding shows that enhancements were not necessary to effect that object, nor have they been successful in doing so. The means to remedy over-crowding are provided in the Act and in the Regulations of Railways. A certain number of seats are to be occupied in every compartment. Why not enforce that provision? The accommodation is limited in every train, and if the Railway authorities will take a little care they would be able to see that the number of men that can find accommodation in the trains do really enter. There has been a sore complaint for a long time that there has been a great deal of over-crowding. I am sure the Hon'ble Member for Commerce and Industry and other Members of the Government will have read the letter of Mr. Gandhi which was recently published on that question. It is necessary that over-crowding should be prevented, and in order to do so what is needed is to issue strict instructions to the railway authorities in order to see that there is no over-crowding. Enhancement of the fares was not necessary to attain that object, and it has not been able to achieve that object.

"Then, Sir, with regard to what the Hon'ble Member said that 30 millions of people travelled less, I submit that here again it was not on account of the enhancement, but it was because there were no trains available.

"Then my friend said the complaint is that if the revenue were given up now, the difficulties which he has mentioned of over-crowding would arise again. I submit they would not. Try it, and you will find that when the number of trains is limited, when the compartments are limited, there cannot be too much of an over-crowding, particularly if you take steps to prevent it.

"Then the Hon'ble Member said that India was suffering far less than the allied countries. Now, I do not dispute that, but India is suffering to the extent that she is, and she certainly does not want to see more suffering. The question is whether in view of the high prices that prevail, whether in view of the great hardships which are already being suffered by the great bulk of the people of this country owing to the war, it is right and proper that so much more should be added to their suffering by the enhancements in question. Nobody can deny, and I am sure the Hon'ble Member for Commerce and Industry will not deny, that the people in general are undergoing very serious hardships. It is lucky that the hardships are not of the same severity as in other allied countries, but that does not afford any justification for adding to their discomforts in a way which is not justified by the requirements of the public. If it was necessary to raise a larger revenue, and if the matter was taken up by Government from that point of view, I could understand it; but, I submit, that these enhancements were necessary in order to discourage traffic has not been shown in any way. If that is so, then I submit the enhancements should be withdrawn.

"Then the Hon'ble Sir Robert Gillan referred to the difficulties in the way. Now I should first like to ask my Hon'ble friend as to where was the necessity of raising the maxima? I submit that there was no necessity for the maxima being enhanced. That has given rise to a fear that there may be a further enhancement in contemplation, or that it may be resorted to in the future when it is felt that the enhancements already effected are not sufficient to discourage traffic. I should like to know where the necessity for these further enhancements of this maxima was.

"Then, Sir, my friend has spoken of the procedure and said that I have raised a large constitutional issue. Undoubtedly I have. At a time like this when the people are suffering various hardships on account of the war, sufferings which are not unknown and which cannot be unknown to any thinking man in this country, it should not be possible by an executive order to add to the sufferings of the people by taking from them 61 and odd lakhs in one half year from Railways. I do not know what the total will come to. 61 and odd lakhs is only the revenue of one half year, the first half year in which the enhancements were in operation. Probably in the next half year the

earnings have been greater. In fact I find it stated in the Statement in paragraph 169 of the budget 'it is anticipated that the favourable conditions of traffic which have contributed so largely to the earnings of the current year will be fully maintained in the ensuing year and that the enhancements of fares and rates introduced for the most part during 1917 will in 1918-19 affect the rates of the whole year, and consequently add more to the total of receipts than they have done this year.'

"Now, I submit, Sir, that this should not be possible, and that if it is not right that it should be so done, then the Government should not sanction the enhancements. My friend has not answered the questions that I put as to how this was actually effected. I did not suggest that it was illegal. I suggested that it was objectionable, and I look forward to hearing that the matter had been considered not merely by the Railway Board, but by the Government of India before the enhancements were sanctioned. In any event as I said before, I submit that the matter ought to be reconsidered and these enhancements should be removed."

The Resolution was put and negatived.

THE FINANCIAL STATEMENT, 1918-19.

The Hon'ble Sir William Vincent introduced the following heads of the Financial Statement for 1918-19 :—

Revenue.	*Expenditure.*
Registration.	Registration.
Jails.	General Administration.
Police.	Courts of Law.
Medical.	Jails.
	Police.
	Medical.

"Sir, I do not propose to deal at any great length with the heads of the budget with which the Home Department is directly connected. There is very little for me to say, and the variations in the figures are made clear in the explanatory memorandum.

"Under the head of Law and Justice, the number of Judges in some of our High Courts and Chief Courts has been increased in order to enable those Courts to cope with accumulated arrears. In two Provinces provision has also been made for the re-organization of the pay and grading of the process-serving establishment.

"Under the head of Police, however, I should like to draw attention to one or two points. We are steadily pursuing the policy which has been developed in the last few years of improving, where necessary, the pay and the prospects of the lower ranks. The various schemes provided in this connection are mentioned in the explanatory memorandum. The increased cost of living, and in the case of the military and frontier police, the superior attractions for the army have lately rendered service in these ranks less and less sought after, and in order to obtain recruits of the right stamp and to keep them efficient and contented, it is necessary to assure them of a living wage. With this object the sanction of the Secretary of State has recently been obtained to the grant of local and special allowances to Head Constables and Constables in the Bombay Presidency and City Police and to the police in Sind, and increased allowances have also been sanctioned for the Calcutta police.

"A feature of the several police re-organization schemes with which we have been and are dealing now is that successful efforts have been made

to meet the increased cost of salaries by economy in other directions, principally by a reduction of the personnel. We realise in fact that where it is possible it is better to have fewer constables and pay them well than maintain a larger number of men who are underpaid and discontented.

"The task of the police-force grows yearly heavier, and the current year has been no exception to that rule. I need only instance the troubles in Bihar to which reference was made by, I think, more than one Hon'ble Member. These disturbances have necessitated the entertainment of an additional police-force, but I am glad to say that we hope that this expenditure will be temporary.

"Another channel of expenditure under the head Police consists of grants made to philanthropic societies, notably the Salvation Army, to assist them in the reclamation of members of criminal tribes. This movement has been directed with considerable energy and success in more than one Province and is, we believe, resulting in the conversion of many hundreds of these criminal outcasts into honest and peaceful workers.

"In the Medical Department I am glad to say that, in spite of financial stringency and the ever-increasing difficulties of personnel, the administration continues slowly but steadily to expand. As will be seen, a considerable sum has been provided for expenditure on hospitals, dispensaries and grants-in-aid. My predecessor, in speaking under this head last year, made special reference to the very able control and direction of this Department by the late Director-General, Sir Pardey Lukis. And I should be guilty of a grave omission if I did not refer to the irreparable loss which the Department has suffered from Sir Pardey's untimely death. I do not wish to advert on this occasion to his great services and abilities ; I have referred to them before and they are well known to all the Members of this Council. I think they will also not be forgotten readily, but I ought not to let this occasion pass without mentioning the great loss which, I believe, the Government and the Council have suffered by his death. I have nothing else with which I need trouble Hon'ble Members under any of the heads which concern me, except perhaps to express my regret that another year has brought the Jail Commission, in the projection of which my predecessor took such interest, no nearer than before. I hope, however, that we may expect great results from this Commission when it is constituted."

The Hon'ble Sir William Meyer :—"I beg to introduce the following heads of the Financial Statement for 1918-19 :—

Revenue.	*Expenditure.*
Opium.	Refunds.
Interest.	Opium.
Mint.	Stamps.
Receipts in aid of superannuation.	Income Tax.
Exchange.	Interest on obligations other than the Public Debt.
Miscellaneous.	Mint.
	Civil Furlough and Absentee allowances.
	Superannuation Allowances and Pensions.
	Exchange.
	Miscellaneous.
	Reduction or Avoidance of Debt.

"I have dealt fully with the Financial estimates in my speech introducing the Financial Statement, and they have been further dealt with in the Secretary's Supplementary Memorandum. So all that I need do now is to take this opportunity of bringing to notice the excellent work which the Mints of Calcutta and Bombay have been doing during the last two years or more. The demands on these mints for coinage, not only of our rupees and other coins, but

of coinage for Egypt, Ceylon, the Straits and Australia, have been very heavy, but every demand has been met cheerfully and effectively. I may illustrate the extent of these demands, ours as well as the kindred countries I have mentioned, by stating that in the ten months ending 31st January last, the Calcutta Mint minted nearly 130 million silver pieces, the Bombay Mint over 136 million. The Calcutta Mint in addition coined 124 million bronze coins, of which rather more than 10 million were penny and half-penny pieces for the Australian Government. The copper coinage amounted to 3 million pieces for the Ceylon Government. The Bombay Mint, in addition to the silver coinage to which I have just referred, also minted some 52 million nickel coins. In all, the two mints between them minted nearly 450 million coins. Besides this the mints have taken their share in the production of munitions, having been engaged in the manufacture of copper driving bands for shells. I think the Council will agree that this is a first-class record."

Speech of the Honourable Finance Member

INTRODUCING THE

BUDGET FOR 1918-19.

I rise to present the Budget of the Government of India for 1918-19. The preliminary estimates which I laid before the Council on the 1st March have been revised in the light of our latest information. The Financial Secretary's Explanatory Memorandum has also been checked and brought up to date.

2. The final figures of the Revised Estimate for 1917-18 and of the Budget Estimate for 1918-19 are given in separate formal statements. The broad results of the revenue account are brought out in the table below in which I have also shown in brackets for convenience of comparison the figures (now superseded) which were given in the corresponding table appearing in paragraph 54 of my speech introducing the Financial Statement.

[In millions of pounds.]

	Budget, 1917-18.			Revised, 1917-18.			Budget, 1918-19.		
	Imperial.	Provincial.	Total.	**Imperial.**	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue . .	**66·420**	32·451	98·871	**76·563** (**76·677**)	33·361 (33·724)	109·924 (110·401)	**74·303** (**73·999**)	34·887 (34·348)	109·190 (108·347)
Expenditure . .	**66·284**	32·549	98·833	**70·852** (**70·852**)	31·523 (31·468)	102·375 (102·320)	**71·721** (**71·708**)	34·756 (34·443)	106·477 (106·151)
Surplus (+) or deficit (−).	**+·136**	—·098	+·038	**+5·711** (**+5·825**)	+1·838 (+2·256)	+7·549 (+8·081)	**+2·582** (**+2·291**)	+·131 (—·095)	+2·713 (+2·196)

3. The more important alterations in our figures occur under the entirely provincial or the 'divided' heads of revenue and expenditure. Thus, owing to the unsatisfactory conditions of the paddy market in Burma the Local Government has had to postpone land revenue collections to a considerable extent with the result that these are now expected to fall short of the previous estimates for the current year by £500,000, of which we anticipate that £400,000 will be realised during the course of next year. This affects both the Imperial and the Provincial estimates in each of the two years. There has been a similar postponement of a smaller amount, namely, £67,000, in Bombay. In the latter province, however, a large increase of £233,000 is now expected in the excise revenue for next year, against which we have allowed proposals made by the Local Government for additional expenditure mainly on education and sanitation. Under purely Imperial heads the largest changes in our estimates are an increase in the Customs revenue of about £76,000 in the current year, and £100,000 in the next year. I need not refer to other alterations as these are of relatively minor importance.

4. The net result of the above changes, in so far as the Imperial position is concerned, is to reduce the surplus for 1917-18 by £114,000 and to increase that for next year by £291,000, the surplus for 1918-19 now standing at £2,582,000. Of this latter improvement, however, about £183,000 represents revenue thrown forward from the current year, and £108,000 a real improvement.

5. These results would, so far as the ability to provide funds is concerned, permit the fulfilment of the conditional promise I made on the 9th instant with reference to a Resolution by my Hon'ble Friend Mr. Sarma, that if our final Budget figures justified it, we should be prepared to make a supplementary grant of £200,000 for technical and agricultural education. But, as I indicated on that occasion, the sanction of the India Office was also required, and though that has just been received, it has arrived too late to allow of the alteration in figures which the allotment of this sum would require. But I assure the Council that we shall make a

supplementary allotment as soon as possible, and thus furnish substantial evidence of the reality which we attach to our new procedure in respect of discussion of the Financial Statement.

6. In the case of the provinces there will be a reduction in the surplus for 1917-18 of £418,000, but on the other hand the estimated deficit of £95,000 for 1918-19 will be converted into a surplus of £131,000, there being thus an improvement of £226,000. Concurrently with this conversion of the collective provincial deficit into a surplus, provision has been made for increased provincial expenditure next year to the extent of £313,000, this increase occurring mainly in Bombay where, as already stated, we have allowed the Local Government to apply the anticipated increase of £233,000 in excise receipts next year to beneficent expenditure, including £100,000 on education, £67,000 on sanitation, and a like amount for grants to local bodies for other purposes. We have also allowed them to draw on their provincial balances during the current year to the extent of £80,000 for the last mentioned object. This is a very early fulfilment of the undertaking which I gave in connection with a resolution moved in the Council a short time ago to the effect that if later an improvement occurred in the provincial revenues we would consider very sympathetically the possibility of allowing the provinces to increase their outlay.

7. Turning to ways and means, recent heavy demand for Treasury Bills in Bombay warrants an increase of £1,333,000 on our previous estimate for 1917-18, involving a corresponding increase in the estimated repayments of the same from fresh bills next year. There has also been an improvement in savings bank deposits, and a falling off in payments on account of foreign money orders. On the other hand, we expect to have to meet during the current year additional military outlay, mainly on stores, to the extent of £660,000; a considerable part of this will probably be recovered later, and the expenditure is meanwhile shown provisionally under the suspense head. As the net result of these and other less important alterations, we now expect that our cash balance in India at the end of the current year will be £16,522,000, or an increase of £553,000 on the figure adopted in the Financial Statement; while our closing balance for next year will stand at £12,273,000, being an increase of £1,153,000 over that previously taken and practically equivalent to the normal closing balance we look to.

As regards England, the Secretary of State expects that his balance will be larger by £1,745,000 at the end of the current year and next, owing to additional and more prompt recoveries from the War Office and the Admiralty.

8. This is the last occasion on which I shall address this Council as I shall have relinquished office before it re-assembles at Simla. I desire therefore to reiterate my heartfelt acknowledgment of the generous tribute to my work which fell from the lips of my non-official Colleagues in the general debate on the Financial Statement. Tributes such as these, giving the assurance that I am held to have done good service to India, are an ample recompense for my heavy and anxious labours. And, though I shall presently cease to serve her, my love for India will continue as long as my life lasts. I shall always hope and pray for her welfare, and follow with the keenest interest the developments that the coming years may have in store for her. I shall also follow with sympathetic attention the careers of my friends, official and non-official, with whom I have been associated in the Legislative Council. To those of them whom I shall not see again, I beg now to extend a cordial God-speed, and to wish them, each and all, a full measure of happiness and prosperity in the future.

W. S. MEYER.

The 22nd March 1918.

BUDGET

OF THE

GOVERNMENT OF INDIA

MARCH 1918.

ACCOUNTS	1916-17
REVISED ESTIMATES	1917-18
BUDGET ESTIMATES	1918-19

CONTENTS.

	PAGES.
I.—GENERAL STATEMENT of the REVENUE and EXPENDITURE charged to REVENUE of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	162—163
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	164—165
A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND	166—167
B.—STATEMENT of the EXPENDITURE charged to the REVENUES of INDIA, in INDIA and in ENGLAND	168—171
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	172—175
D.—STATEMENT of REVENUE, EXPENDITURE, and BALANCES of PROVINCIAL GOVERNMENTS	176
E.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	177
MEMORANDUM EXPLAINING the DETAILS of the ESTIMATES	179—292
APPENDICES	293—340

I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	22,041,265	22,218,200	21,611,100	22,798,600
Opium	„	3,160,005	3,389,300	3,068,500	3,191,800
Salt	„	4,826,260	3,972,900	5,472,800	3,492,200
Stamps	„	5,776,696	5,952,100	5,745,000	5,938,000
Excise	„	9,215,899	9,328,200	10,076,800	10,647,000
Customs	„	8,659,182	9,394,800	11,204,200	10,814,400
Income Tax	„	3,772,967	5,129,300	6,075,800	6,333,200
Other Heads	„	3,655,196	3,465,600	3,328,000	3,870,700
TOTAL PRINCIPAL HEADS	...	61,107,470	62,850,400	67,082,200	67,085,900
Interest	A	1,136,504	2,095,700	2,245,300	3,552,600
Posts and Telegraphs	„	4,174,607	4,345,700	4,492,100	4,782,800
Mint	„	689,866	139,100	530,700	376,000
Receipts by Civil Departments	„	1,739,713	1,706,300	1,926,700	1,956,100
Miscellaneous	„	847,530	743,000	2,599,900	1,295,200
Railways: Net Receipts	„	21,313,797	20,253,000	24,051,600	22,983,700
Irrigation	„	5,155,624	5,125,300	5,174,700	5,320,400
Other Public Works	„	309,373	285,200	318,900	304,900
Military Receipts	„	1,575,946	1,327,100	1,502,200	1,532,700
TOTAL REVENUE	...	98,050,430	98,870,800	109,924,300	109,190,300

DELHI,
FINANCE DEPARTMENT,
March 22, 1918.

M. F. GAUNTLETT,
Offg. Comptroller General.

Revenue, of the Government of India, in India and in England.

	For details, *vide* Statement.	Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	9,328,668	10,027,500	9,950,300	10,454,800
Interest	„	1,174,864	6,832,800	7,797,500	7,784,300
Posts and Telegraphs	„	3,441,387	3,601,900	3,599,000	3,931,400
Mint	„	167,411	108,600	179,800	170,000
Salaries and Expenses of Civil Departments	„	19,081,230	21,089,800	20,936,800	23,164,300
Miscellaneous Civil Charges	„	5,414,272	5,419,200	5,894,800	5,671,500
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	13,831,922	14,147,400	13,876,800	13,782,000
Irrigation	„	3,549,912	3,834,100	3,732,800	3,928,700
Other Public Works	„	4,618,535	5,544,800	5,122,500	6,057,700
Military Services	„	26,566,757	27,227,100	30,284,700	30,532,700
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	88,174,958	98,833,200	102,375,000	106,477,400
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	2,397,302	240,300	2,068,900	572,600
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	...	*338,100*	*231,200*	*441,200*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	90,572,260	98,735,400	104,212,700	106,608,800
SURPLUS	...	7,478,170	135,400	5,711,600	2,581,500
TOTAL	...	98,050,430	98,870,800	109,924,300	109,190,300

M. M. S. GUBBAY,
Controller of Currency

H. F. HOWARD,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Surplus	C	7,478,170	135,400	5,711,600	2,581,500
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	„	...	...	—500,000	—250,000
Capital contributed by Native States towards construction of State Railways	„	66,667	66,700	66,700	33,300
Capital raised and deposited by Railway Companies (net)	„	555,431	318,600	...	...
TOTAL CAPITAL ACCOUNT RECEIPTS		622,098	385,300	—433,300	—216,700
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	4,433,691	6,416,700	63,943,800	...
Temporary Debt (net incurred)	„	...	...	48,891,200	...
Unfunded Debt (net incurred)	„	1,474,857	1,926,700	9,616,500	1,215,300
Deposits and Advances (net)	„	...	787,900	...	4,139,500
Loans and Advances by Imperial Government (net Repayments)	„	2,451	...	...	...
Loans and Advances by Provincial Governments (net Repayments)	„	585,495	262,500	598,400	119,100
Loans to Local Boards for Railway Construction	„	8,020	8,300	...	8,700
Remittances (net)	„	1,651,160	...	...	2,000,000
Secretary of State's Bills drawn	„	9,669,240	...	25,258,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES		17,824,914	9,402,100	153,307,900	7,482,600
TOTAL RECEIPTS	...	25,925,182	9,922,800	158,586,200	9,847,400
Opening Balance—India	...	12,016,056	15,142,656	15,293,216	16,522,616
England	...	(a) 12,803,348	(a) 11,419,648	(a) 11,391,993	(a) 15,781,193
TOTAL	...	50,744,586	36,485,104	185,271,409	42,151,209

(a) Include balances of the Gold Standard Reserve as shown

M. F. GAUNTLETT,
Offg. Comptroller General.

DELHI,
FINANCE DEPARTMENT,
March 22, 1918.

Government of India, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1916-1917.	Budget Estimate, 1917-1918.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.
		£	£	£	£
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	C	512,083	600,000	372,400	466,700
Outlay on State Railways	"	1,872,348	3,224,200	3,023,400	3,704,400
Initial outlay on new Capital at Delhi	"	244,297	266,700	250,700	266,700
India's Financial Contribution to the War	"	...	...	100,000,000	...
Outlay of Railway Companies (net)	"	770,593	648,400	521,700	631,600
Capital raised and deposited by Railway Companies	"	...	...	772,300	2,242,400
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	3,399,321	4,739,300	104,940,500	7,311,800
Debt, Deposits and Advances—					
Permanent Debt (net discharged)	C	...	...	...	877,300
Temporary Debt (net discharged)	"	7,722,183	333,300	...	2,666,700
Deposits and Advances (net)	"	4,595,151	...	20,916,800	...
Loans and Advances by Imperial Government (net Advances)	"	...	120,700	3,100	59,500
Loans to Local Boards for Railway Construction	"	...	...	2,000	...
Remittances (net)	"	...	7,279,300	2,217,500	...
Secretary of State's Bills paid	"	8,342,722	466,700	24,887,700	1,933,300
TOTAL DEBT, DEPOSITS AND ADVANCES	...	20,660,056	8,200,500	48,027,100	5,536,800
TOTAL DISBURSEMENTS	...	24,059,377	12,939,800	152,967,600	12,848,600
Closing Balance—India	...	15,293,216	12,190,456	16,522,616	12,278,116
England	...	11,391,993 (a)	11,354,848 (a)	15,781,193 (a)	17,029,493 (a)
TOTAL	...	50,744,586	36,485,104	185,271,409	42,151,209

in the notes on pages 174 and 175.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1916-1917.					REVISED	
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
Principal Heads of Revenue—	£	£	£	£	£	£	£
I.—Land Revenue	22,041,265	...	22,041,265	10,780,478	11,260,787	21,611,100	...
II.—Opium	3,160,005	...	3,160,005	3,160,005	...	3,068,500	...
III.—Salt	4,826,260	...	4,826,260	4,826,260	...	5,472,800	...
IV.—Stamps	5,776,696	...	5,776,696	2,940,614	2,836,082	5,745,000	...
V.—Excise	9,215,899	...	9,215,899	2,573,089	6,642,810	10,076,800	...
VI.—Provincial Rates	31,391	...	31,391	234	31,157	28,700	...
VII.—Customs	8,659,182	...	8,659,182	8,659,182	...	11,204,200	...
VIII.—Income Tax	3,772,967	...	3,772,967	2,053,215	1,719,752	6,075,800	...
IX.—Forest	2,470,795	...	2,470,795	96,687	2,374,108	2,648,100	...
X.—Registration	540,581	...	540,581	6,388	534,193	533,400	...
XI.—Tributes from Native States	612,429	....	612,429	612,429	....	617,800	...
Total	61,107,470	...	61,107,470	35,708,581	25,398,889	67,082,200	...
XII.—Interest	861,246	275,258	1,136,504	794,810	341,694	922,900	1,322,400
XIII.—Posts and Telegraphs	4,153,236	21,371	4,174,607	4,174,607	...	4,444,300	47,800
XV.—Mint	689,866	...	689,866	689,866	...	530,700	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	414,799	...	414,799	29,639	385,160	435,100	...
XVI.—Law and Justice { Jails	345,725	...	345,725	47,795	297,930	395,200	...
XVII.—Police	154,984	54	155,038	5,497	149,541	133,100	...
XVIII.—Ports and Pilotage	123,419	...	123,419	...	123,419	105,300	...
XIX.—Education	298,278	...	298,278	15,281	282,997	322,300	...
XXA.—Medical	83,772	356	84,128	951	83,177	93,000	300
XXB.—Sanitation	31,667	...	31,667	6,673	24,994	33,100	...
XXIA.—Agriculture	91,111	...	91,111	12,137	78,974	107,000	...
XXIB.—Scientific and Miscellaneous Departments	194,870	678	195,548	8,142	187,406	301,400	900
Total	1,738,625	1,088	1,739,713	126,115	1,613,598	1,925,500	1,200
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	173,379	46,486	219,865	143,626	76,239	174,400	39,600
XXIII.—Stationery and Printing	96,034	...	96,034	40,971	55,063	93,800	...
XXIV.—Exchange	111,371	....	111,371	111,371	...	1,000,000	...
XXV.—Miscellaneous	402,275	17,985	420,260	217,763	202,497	1,091,700	200,400
Total	783,059	64,471	847,530	513,731	333,799	2,359,900	240,000
Railways—							
XXVI.—State Railways (Gross Receipts)	41,849,739	114,861	41,964,600	41,953,574	11,026	45,500,000	107,200
Deduct—Working Expenses	*19,979,096*	...	*19,979,096*	*19,972,320*	*6,776*	*20,666,600*	...
Surplus profits paid to Companies, etc.	*770,442*	...	*770,442*	*770,442*	...	*993,400*	...
Net Receipts	21,100,201	114,861	21,215,062	21,210,812	4,250	23,840,000	107,200
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	29,175	69,560	98,735	98,735	...	34,000	70,400
Total	21,129,376	184,421	21,313,797	21,309,547	4,250	23,874,000	177,600
Irrigation—							
XXIX.—Major Works: Direct Receipts	3,011,227	...	3,011,227	1,279,777	1,731,450	3,002,500	...
Portion of Land Revenue due to Irrigation	1,827,108	...	1,827,108	992,167	834,941	1,859,200	...
XXX.—Minor Works and Navigation	317,289	...	317,289	112,221	205,068	313,000	...
Total	5,155,624	...	5,155,624	2,384,165	2,771,459	5,174,700	...
Other Public Works—							
XXXI.—Civil Works	309,373	...	309,373	39,346	270,027	318,900	...
Military Receipts—							
XXXII.—Army: Effective	700,993	292,201	993,194	993,194	...	745,800	244,300
Non-Effective	83,711	38,613	122,324	122,324	...	83,100	38,000
	784,704	330,814	1,115,518	1,115,518	...	828,900	282,300
XXXIII.—Marine	365,005	22	365,027	365,027	...	301,000	...
XXXIV.—Military Works	95,401	...	95,401	95,401	...	90,000	...
Total	1,245,110	330,836	1,575,946	1,575,946	...	1,219,900	282,300
Transfers between Imperial and Provincial Revenues	...	...	...	—1,629,367	+1,629,367	...	...
TOTAL REVENUE	97,172,985	877,445	98,050,430	65,687,347	32,363,083	107,853,000	2,071,300

India, in India and in England.

ESTIMATE, 1917-1918.			Increase + Decrease — as compared with Budget Estimate, 1917-1918.	BUDGET ESTIMATE, 1918-1919.					Increase + Decrease — of Budget, 1918-1919, as compared with Budget Estimate, 1917-1918.	Increase + Decrease — of Budget, 1918-1919, as compared with Revised Estimate, 1917-1918.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
21,611,100	10,618,500	10,993,600	—607,100	22,798,600	...	**22,798,600**	11,048,300	11,750,300	+580,400	+1,187,500
3,068,500	3,068,500	...	—320,800	3,191,800	...	**3,191,800**	3,191,800	...	—197,500	+123,300
5,472,800	5,472,800	...	+1,499,900	3,492,200	...	**3,492,200**	3,492,200	...	—480,700	—1,980,600
5,745,000	2,926,400	2,818,600	—207,100	5,938,000	...	**5,938,000**	3,022,900	2,915,100	—14,100	+193,000
10,076,800	2,812,300	7,264,500	+748,600	10,647,000	...	**10,647,000**	2,900,600	7,746,400	+1,318,800	+570,200
28,700	100	28,600	+1,100	29,200	...	**29,200**	100	29,100	+1,600	+500
11,204,200	11,204,200	...	+1,809,400	10,814,400	...	**10,814,400**	10,814,400	...	+1,419,600	—389,800
6,075,800	3,863,100	2,212,700	+946,500	6,333,200	...	**6,333,200**	4,038,100	2,295,100	+1,203,900	+257,400
2,648,100	100,800	2,547,300	+381,400	2,684,300	...	**2,684,300**	104,300	2,580,000	+417,600	+36,200
533,400	7,000	526,400	—20,900	542,600	...	**542,600**	6,800	535,800	—11,700	+9,200
617,800	617,800	...	+800	614,600	...	**614,600**	614,600	...	—2,400	—3,200
67,082,200	40,691,500	26,390,700	+4,231,800	67,085,900	...	**67,085,900**	39,234,100	27,851,800	+4,235,500	+3,700
2,245,300	1,934,200	311,100	+149,600	933,000	2,619,600	**3,552,600**	3,255,200	297,400	+1,456,900	+1,307,300
4,492,100	4,492,100	...	+146,400	4,699,600	83,200	**4,782,800**	4,782,800	...	+437,100	+290,700
530,700	530,700	...	+391,600	376,000	...	**376,000**	376,000	...	+236,900	—154,700
435,100	27,800	407,300	+15,600	440,600	...	**440,600**	22,300	418,300	+21,100	+5,500
395,200	55,200	340,000	+63,600	386,200	...	**386,200**	55,500	330,700	+54,600	—9,000
133,100	6,400	126,700	—3,200	173,000	...	**173,000**	5,500	167,500	+36,700	+39,900
105,300	...	105,300	—12,200	108,900	...	**108,900**	...	108,900	—8,600	+3,600
322,300	6,700	315,600	+17,000	312,800	...	**312,800**	7,100	305,700	+7,500	—9,500
93,300	1,600	91,700	+12,400	97,200	300	**97,500**	800	96,700	+16,600	+4,200
33,100	12,000	21,100	+13,000	29,300	...	**29,300**	10,000	19,300	+9,200	—3,800
107,000	12,800	94,200	+4,300	142,300	...	**142,300**	22,900	119,400	+39,600	+35,300
302,300	7,400	294,900	+109,900	264,500	1,000	**265,500**	8,600	256,900	+73,100	—36,800
1,926,700	129,900	1,796,300	+220,400	1,954,800	1,300	**1,956,100**	132,700	1,823,400	+249,800	+29,400
214,000	136,500	77,500	—2,100	176,300	38,100	**214,400**	136,400	78,000	—1,700	+400
93,800	37,400	56,400	+6,900	93,100	...	**93,100**	39,000	54,100	+6,200	—700
1,000,000	1,000,000	...	+1,000,000	...	...	...	...	...	...	—1,000,000
1,292,100	1,092,700	199,400	+852,100	961,200	26,500	**987,700**	796,900	190,800	+547,700	—304,400
2,599,900	2,266,600	333,300	+1,856,900	1,230,600	64,600	**1,295,200**	972,300	322,900	+552,200	—1,304,700
45,607,200	45,597,300	9,900	+3,768,000	47,000,000	500	**47,000,500**	46,990,500	10,000	+5,161,300	+1,393,300
20,000,600	*20,658,600*	*8,000*	+233,400	*23,044,300*	...	***23,044,300***	*23,035,600*	*8,700*	—2,144,300	—2,377,700
993,400	*993,400*	...	—213,400	*1,066,600*	...	***1,066,600***	*1,066,600*	...	—286,600	—73,200
23,947,200	23,945,300	1,900	+3,788,000	22,889,100	500	**22,889,600**	22,888,300	1,300	+2,730,400	—1,057,600
104,400	104,400	...	+10,600	16,100	78,000	**94,100**	94,100	...	+300	—10,300
24,051,600	24,049,700	1,900	+3,798,600	22,905,200	78,500	**22,983,700**	22,982,400	1,300	+2,730,700	—1,067,900
3,002,500	1,286,100	1,716,400	+30,300	3,092,500	...	**3,092,500**	1,353,600	1,738,900	+120,300	+90,000
1,859,200	1,009,000	850,200	+1,000	1,921,400	...	**1,921,400**	1,040,800	880,600	+63,200	+62,200
313,000	119,300	193,700	+18,100	306,500	...	**306,500**	111,800	194,700	+11,600	—6,500
5,174,700	2,414,400	2,760,300	+49,400	5,320,400	...	**5,320,400**	2,506,200	2,814,200	+195,100	+145,700
318,900	57,100	261,800	+33,700	304,900	...	**304,900**	51,100	253,800	+19,700	—14,000
990,100	990,100	...	+126,200	776,800	246,000	**1,022,800**	1,022,800	...	+158,900	+32,700
121,100	121,100	...	—1,300	83,300	38,000	**121,300**	121,300	...	—1,100	+200
1,111,200	1,111,200	...	+124,900	860,100	284,000	**1,144,100**	1,144,100	...	+157,800	+32,900
301,000	301,000	...	+40,200	308,600	...	**308,600**	308,600	...	+47,800	+7,600
90,000	90,000	...	+10,000	80,000	...	**80,000**	80,000	...	...	—10,000
1,502,200	1,502,200	...	+175,100	1,248,700	284,000	**1,532,700**	1,532,700	...	+205,600	+30,500
...	—1,505,200	+1,505,200	...	...	...	...	—1,522,900	+1,522,900	...	...
109,924,300	76,563,200	33,361,100	+11,053,500	106,059,100	3,131,200	**109,190,300**	74,302,600	34,887,700	+10,319,500	—734,000

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1916-1917.					REVISED
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
Direct Demands on the Revenues—	£	£	£	£	£	£	£
1.—Refunds and Drawbacks	478,698	...	**478,698**	359,244	119,454	565,700	...
2.—Assignments and Compensations	1,250,357	...	**1,250,357**	557,419	692,938	1,303,700	...
Charges in respect of Collection, *viz.* :—							
3.—Land Revenue	3,811,518	1,615	**3,813,133**	271,795	3,541,338	3,856,700	2,100
4.—Opium (including cost of Production)	911,577	817	**912,394**	912,394	...	1,113,800	1,400
5.—Salt (including cost of Production)	396,460	1,726	**398,186**	398,186	...	425,300	600
6.—Stamps	63,194	110,272	**173,466**	99,268	74,198	70,900	125,000
7.—Excise	478,287	345	**478,632**	145,500	333,132	490,500	400
9.—Customs	270,830	334	**271,164**	271,164	...	281,400	200
10.—Income Tax	37,112	...	**37,112**	18,700	18,412	42,300	...
11.—Forest	1,249,592	2,173	**1,251,765**	83,302	1,168,463	1,399,200	600
12.—Registration	263,761	...	**263,761**	1,886	261,875	270,500	...
Total	9,211,386	117,282	**9,328,668**	3,118,858	6,209,810	9,820,000	130,300
Interest—							
13.—Interest on Debt	3,777,813	5,846,832	**9,624,645**	8,712,156	912,489	6,286,700	9,938,800
Deduct—Amounts chargeable to Railways†	*4,139,212*	*3,620,110*	***7,759,322***	*7,759,322*	...	*4,227,800*	*3,600,000*
„ Amounts chargeable to Irrigation	*1,292,620*	*120,585*	***1,413,205***	*723,528*	*689,677*	*1,320,500*	*120,800*
Remainder chargeable on Ordinary Debt	—1,654,019	2,106,137	**452,118**	229,306	222,812	738,400	6,218,000
14.—Interest on other obligations	722,746	...	**722,746**	722,746	...	841,100	...
Total	—931,273	2,106,137	**1,174,864**	952,052	222,812	1,579,500	6,218,000
15.—Posts and Telegraphs	3,122,690	318,697	**3,441,387**	3,441,387	...	3,272,900	326,100
17.—Mint	158,662	8,749	**167,411**	167,411	...	157,800	22,000
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,679,065	404,072	**2,083,137**	1,168,685	914,452	1,722,500	500,600
19.—Law and Justice Courts	3,306,576	450	**3,307,026**	82,002	3,225,024	3,324,900	1,400
Jails	1,086,275	147	**1,086,422**	170,195	916,227	1,137,900	...
20.—Police	5,424,190	...	**5,424,190**	295,814	5,128,376	5,545,800	200
21.—Ports and Pilotage	199,668	...	**199,668**	...	199,668	194,300	...
22.—Education	3,123,602	9,346	**3,132,948**	111,736	3,021,212	3,371,800	12,000
23.—Ecclesiastical	128,357	180	**128,537**	128,537	...	130,300	400
24A.—Medical	864,820	946	**865,766**	79,577	786,189	964,000	800
24B.—Sanitation	518,617	1,681	**520,298**	78,031	442,267	577,900	1,700
25.—Political	1,260,361	22,082	**1,282,443**	1,119,930	162,513	2,215,500	36,100
26A.—Agriculture	607,668	3,947	**611,615**	66,053	545,562	693,300	3,900
26B.—Scientific and Miscellaneous Departments	398,756	40,424	**439,180**	277,621	161,559	458,100	43,400
Total	18,597,955	483,275	**19,081,230**	3,578,181	15,503,049	20,336,300	600,500
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	197,418	10,550	**207,968**	207,968	...	193,900	10,600
28.—Civil Furlough and Absentee Allowances	1,509	251,007	**252,516**	252,516	...	1,800	194,000
29.—Superannuation Allowances and Pensions	1,467,475	2,008,225	**3,475,700**	2,125,633	1,350,067	1,523,500	1,989,000
30.—Stationery and Printing	690,584	116,454	**807,038**	306,634	500,404	863,300	118,500
32.—Miscellaneous	464,655	206,395	**671,050**	459,908	211,142	559,200	441,000
Total	2,821,641	2,592,631	**5,414,272**	3,352,659	2,061,613	3,141,700	2,753,100
Famine Relief and Insurance—							
33.—Famine Relief	187,617	...	**187,617**	140,762	46,855	6,500	...
34.—Construction of Protective Railways	—476	...	**—476**	—476	...	100	...
35.—Construction of Protective Irrigation Works	332,468	1,133	**333,601**	333,601	...	352,300	1,400
36.—Reduction or Avoidance of Debt	479,258	...	**479,258**	380,686	98,572	639,700	...
Total	998,867	1,133	**1,000,000**	854,573	145,427	998,600	1,400
Carried over	33,979,928	5,627,904	**39,607,832**	15,465,121	24,142,711	39,306,800	10,051,400

	ACCOUNTS, 1916-1917.			REVISED ESTIMATE, 1917-1918.		
	India.	England.	Total.	India.	England.	Total.
†Included under the following heads :—	£	£	£	£	£	£
State Railways—Interest on Debt	4,121,990	3,538,860	**7,660,850**	4,210,600	3,518,800	**7,729,400**
Ditto —Interest chargeable against Companies on Advances	17,222	81,250	**98,472**	17,200	81,200	**98,400**
Total	4,139,212	3,620,110	**7,759,322**	4,227,800	3,600,000	**7,827,800**

Revenues of India, in India and in England.

ESTIMATE, 1917-1918.			Increase + Decrease − as compared with Budget Estimate, 1917-1918.	BUDGET ESTIMATE, 1918-1919.					Increase + Decrease − of Budget, 1918-1919, as compared with Budget Estimate, 1917-1918.	Increase + Decrease − of Budget, 1918-1919, as compared with Revised Estimate, 1917-1918.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
565,700	425,700	130,000	+135,400	516,700	...	**516,700**	389,000	127,700	+86,400	−49,000
1,303,700	590,600	713,100	+30,900	1,325,000	...	**1,325,000**	610,000	715,000	+52,200	+21,300
3,858,800	284,000	3,574,800	−120,800	4,020,700	1,500	**4,022,200**	315,200	3,707,000	+42,600	+163,400
1,115,200	1,115,200	...	−205,800	1,253,100	1,200	**1,254,300**	1,254,300	...	−66,700	+139,100
425,900	425,900	...	+17,300	494,100	2,500	**496,600**	496,600	...	+88,000	+70,700
195,900	114,600	81,300	+35,200	73,400	120,000	**193,400**	110,500	82,900	+32,700	−2,500
490,900	147,100	343,800	+2,400	516,900	200	**517,100**	152,500	364,600	+28,600	+26,200
281,600	281,600	...	−4,300	292,900	100	**293,000**	293,000	...	+7,100	+11,400
42,300	21,600	20,700	+1,200	51,500	...	**51,500**	26,400	25,100	+10,400	+9,200
1,399,800	82,900	1,316,900	+30,700	1,508,700	2,500	**1,511,200**	100,900	1,410,300	+142,100	+111,400
270,500	2,000	268,500	+600	273,800	...	**273,800**	1,900	271,900	+3,900	+3,300
9,950,300	3,501,200	6,449,100	−77,200	10,326,800	128,000	**10,454,800**	3,750,300	6,704,500	+427,300	+504,500
16,225,500	15,313,600	911,900	+647,000	7,073,300	9,196,200	**16,269,500**	15,354,000	915,500	+691,000	+44,000
7,827,800	*7,827,800*	...	+304,900	*4,344,300*	*3,588,600*	*7,932,900*	*7,932,900*	...	+199,800	−105,100
1,441,300	*742,300*	*699,000*	+84,900	*1,348,300*	*121,000*	*1,469,300*	*762,000*	*707,300*	+56,900	−28,000
6,956,400	6,743,500	212,900	+1,036,800	1,380,700	5,486,600	**6,867,300**	6,659,100	208,200	+947,700	−89,100
841,100	841,100	...	−72,100	917,000	...	**917,000**	917,000	...	+3,800	+75,900
7,797,500	7,584,600	212,900	+964,700	2,297,700	5,486,600	**7,784,300**	7,576,100	208,200	+951,500	−13,200
3,599,000	3,599,000	...	−2,900	3,489,800	441,600	**3,931,400**	3,931,400	...	+329,500	+332,400
179,800	179,800	...	+71,200	152,500	17,500	**170,000**	170,000	...	+61,400	−9,800
2,223,100	1,284,700	938,400	+166,200	1,703,300	560,200	**2,263,500**	1,323,600	939,900	+206,600	+40,400
3,326,300	79,600	3,246,700	−54,300	3,393,600	800	**3,394,400**	76,600	3,317,800	+13,800	+68,100
1,137,900	173,000	964,900	+12,500	1,153,700	...	**1,153,700**	174,900	978,800	+28,300	+15,800
5,546,000	333,400	5,212,600	−183,900	5,866,500	100	**5,866,600**	355,500	5,511,100	+136,700	+320,600
194,300	...	194,300	−1,000	200,900	...	**200,900**	...	200,900	+5,600	+6,600
3,383,800	124,400	3,259,400	−239,600	4,211,000	10,500	**4,221,500**	152,200	4,069,300	+598,100	+837,700
130,700	130,700	...	−11,800	136,500	300	**136,800**	136,800	...	−5,700	+6,100
964,800	84,300	880,500	−3,700	1,036,100	800	**1,036,900**	90,200	946,700	+68,400	+72,100
579,600	63,500	516,100	−31,000	780,500	1,500	**782,000**	129,700	652,300	+171,400	+202,400
2,251,600	2,071,300	180,300	+398,400	2,614,800	17,900	**2,632,700**	2,417,500	215,200	+779,500	+381,100
697,200	81,100	616,100	−169,100	836,000	6,800	**842,800**	87,600	755,200	−23,500	+145,600
501,500	304,200	197,300	−35,700	575,200	57,300	**632,500**	314,300	318,200	+95,300	+131,000
20,936,800	4,730,200	16,206,600	−153,000	22,508,100	656,200	**23,164,300**	5,258,900	17,905,400	+2,074,500	+2,227,500
204,500	204,500	...	−5,900	196,800	10,600	**207,400**	207,400	...	−3,000	+2,900
195,800	195,800	...	−65,700	1,300	194,000	**195,300**	195,300	...	−66,200	−500
3,512,500	2,109,800	1,402,700	−23,000	1,580,600	1,991,000	**3,571,600**	2,110,200	1,461,400	+36,100	+59,100
981,800	453,500	528,300	+120,500	843,400	108,500	**951,900**	372,000	579,900	+90,600	−29,900
1,000,200	708,600	291,600	+449,700	717,300	28,000	**745,300**	207,500	537,800	+194,800	−254,900
5,894,800	3,672,200	2,222,600	+475,600	3,339,400	2,332,100	**5,671,500**	3,092,400	2,579,100	+252,300	−223,300
6,500	4,900	1,600	−49,800	40,400	...	**40,400**	30,300	10,100	−15,900	+33,900
100	100	...	+600	−500	...	**−500**	−500	...	...	−600
353,700	353,700	...	−66,300	396,100	10,600	**406,700**	406,700	...	−13,300	+53,000
639,700	639,700	...	+115,500	553,400	...	**553,400**	553,400	...	+29,200	−86,300
1,000,000	998,400	1,600	...	989,400	10,600	**1,000,000**	989,900	10,100	...	...
49,358,200	24,265,400	25,092,800	+1,278,400	43,103,700	9,072,600	**52,176,300**	24,769,000	27,407,300	+4,096,500	+2,818,100

BUDGET ESTIMATE, 1918-1919.		
India.	England.	Total.
£	£	£
4,326,900	3,507,400	**7,834,300**
17,400	81,200	**98,600**
4,344,300	3,588,600	**7,932,900**

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1916-1917.					REVISED	
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Brought forward	38,979,928	5,627,904	**39,607,832**	15,465,121	24,142,711	39,306,800	10,051,400
Railways—							
38.—State Railways: Interest on Debt	4,121,990	3,538,860	**7,660,850**	7,660,850	...	4,210,600	3,518,800
Annuities in purchase of Railways	...	3,357,650	**3,357,650**	3,357,650	...	...	3,357,700
Sinking Funds	...	323,647	**323,647**	323,647	...	...	333,600
Interest chargeable against Companies on Advances	17,222	81,250	**98,472**	98,472	...	17,200	81,200
Interest on Capital deposited by Companies	55,708	2,170,232	**2,225,940**	2,225,940	...	58,900	2,205,800
40.—Subsidised Companies: Land, etc.	162,451	...	**162,451**	161,544	907	73,300	...
41.—Miscellaneous Railway Expenditure	2,912	...	**2,912**	2,911	1	19,700	...
TOTAL	4,360,283	9,471,639	**13,831,922**	13,831,014	908	4,379,700	9,497,100
Irrigation—							
42.—Major Works: Working Expenses	1,351,194	...	**1,351,194**	637,718	713,476	1,408,300	...
Interest on Debt	1,292,620	120,585	**1,413,205**	723,528	689,677	1,320,500	120,800
43.—Minor Works and Navigation	785,076	437	**785,513**	239,078	546,435	883,200	...
TOTAL	3,428,890	121,022	**3,549,912**	1,600,324	1,949,588	3,612,000	120,800
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	2,204	...	**2,204**	...	2,204	700	...
45.—Civil Works	4,562,918	53,413	**4,616,331**	745,961	3,870,370	5,076,200	45,600
TOTAL	4,565,122	53,413	**4,618,535**	745,961	3,872,574	5,076,900	45,600
Military Services—							
46.—Army: Effective	18,030,182	3,191,512	**21,221,694**	21,221,694	...	20,437,700	4,102,400
Non-Effective	856,347	2,181,962	**3,038,309**	3,038,309	...	969,900	2,155,400
	18,886,529	5,373,474	**24,260,003**	24,260,003	...	21,407,600	6,257,800
46A.—Marine	272,362	421,318	**693,680**	693,680	...	328,600	408,000
47.—Military Works	1,522,163	72,375	**1,594,538**	1,594,538	...	1,806,300	66,000
47A.—Special Defences (1902)	14,054	4,482	**18,536**	18,536	...	10,300	100
TOTAL	20,695,108	5,871,649	**26,566,757**	26,566,757	...	23,552,800	6,731,900
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	67,029,331	21,145,627	**88,174,958**	58,209,177	29,965,781	75,928,200	26,446,800
Add—Portion of Allotments to Provincial Governments not spent by them in the year	2,397,302	...	**2,397,302**	...	2,397,302	2,068,900	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	...	...	...	...	...	*231,200*	...
Total Expenditure charged to Revenue	69,426,633	21,145,627	**90,572,260**	58,209,177	32,363,083	77,765,900	26,446,800

	ACCOUNTS, 1916-1917.		
	India.	England.	TOTAL.
Capital Expenditure not charged to Revenue—	£	£	£
48.—State Railways	1,553,694	318,654	**1,872,348**
49.—Irrigation Works	505,115	6,968	**512,083**
TOTAL	2,058,809	325,622	**2,384,431**
51.—Initial Expenditure on new Capital at Delhi	222,443	21,854	**244,297**
52.—India's Financial Contribution to the War	...	...	...

Revenues of India, in India and in England—*continued.*

ESTIMATE, 1917-1918.			Increase + Decrease — as compared with Budget Estimate, 1917-1918.	BUDGET ESTIMATE, 1918-1919.					Increase + Decrease — of Budget, 1918-1919, as compared with Budget Estimate, 1917-1918.	Increase + Decrease — of Budget, 1918-1919, as compared with Revised Estimate, 1917-1918.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
49,358,200	24,265,400	25,092,800	+1,278,400	43,103,700	9,072,600	**52,176,300**	24,769,000	27,407,300	+4,096,500	+2,818,100
7,729,400	7,729,400	...	−305,000	4,326,900	3,507,400	**7,834,300**	7,834,300	...	−200,100	+104,900
3,357,700	3,357,700	...	...	...	3,357,600	**3,357,600**	3,357,600	...	−100	−100
333,600	333,600	...	+103,600	...	242,800	**242,800**	242,800	...	+12,500	−90,800
98,400	98,400	...	+100	17,400	81,200	**98,600**	98,600	...	+300	+200
2,264,700	2,264,700	...	−10,900	62,100	2,126,600	**2,188,700**	2,188,700	...	−86,900	−76,000
73,300	72,700	600	−54,100	33,300	...	**33,300**	32,700	600	−94,100	−40,000
19,700	19,600	100	−4,300	26,700	...	**26,700**	26,600	100	+2,700	+7,000
13,876,800	13,876,100	700	−270,600	4,466,400	9,315,600	**13,782,000**	13,781,300	700	−365,400	−94,800
1,408,300	671,100	737,200	+17,000	1,469,000	...	**1,469,000**	711,100	757,900	+77,700	+60,700
1,441,300	742,300	699,000	−84,900	1,348,300	121,000	**1,469,300**	762,000	707,300	−56,900	+28,000
883,200	252,200	631,000	−33,400	990,000	400	**990,400**	296,700	693,700	+73,800	+107,200
3,732,800	1,665,600	2,067,200	−101,300	3,807,300	121,400	**3,928,700**	1,769,800	2,158,900	+94,600	+195,900
700	...	700	−800	700	...	**700**	...	700	−800	...
5,121,800	759,800	4,362,000	−421,500	6,017,800	39,200	**6,057,000**	868,300	5,188,700	+513,700	+935,200
5,122,500	759,800	4,362,700	−422,300	6,018,500	39,200	**6,057,700**	868,300	5,189,400	+512,900	+935,200
24,540,100	24,540,100	...	+2,539,900	22,278,900	2,379,500	**24,658,400**	24,658,400	...	+2,658,200	+118,300
3,125,300	3,125,300	...	−90,400	1,071,400	2,061,100	**3,132,500**	3,132,500	...	−83,200	+7,200
27,665,400	27,665,400	...	+2,449,500	23,350,300	4,440,600	**27,790,900**	27,790,900	...	+2,575,000	+125,500
736,600	736,600	...	−101,900	350,200	610,100	**960,300**	960,300	...	+121,800	+223,700
1,872,300	1,872,300	...	+713,600	1,767,500	14,000	**1,781,500**	1,781,500	...	+622,800	−90,800
10,400	10,400	...	−3,600	...	...	...	...	...	−14,000	−10,400
30,284,700	30,284,700	...	+3,057,600	25,468,000	5,064,700	**30,532,700**	30,532,700	...	+3,305,600	+248,000
102,375,000	70,851,600	31,523,400	+3,541,800	82,863,900	23,613,500	**106,477,400**	71,721,100	34,756,300	+7,644,200	+4,102,400
2,068,900	...	2,068,900	+1,828,600	572,600	...	**572,600**	...	572,600	+332,300	−1,496,300
231,200	...	*231,200*	+106,900	***441,200***	...	***441,200***	...	***441,200***	−103,100	−210,000
104,212,700	70,851,600	33,361,100	+5,477,300	82,995,300	23,613,500	**106,608,800**	71,721,100	34,887,700	+7,873,400	+2,396,100

REVISED ESTIMATE, 1917-1918.			BUDGET ESTIMATE, 1918-1919.		
India.	England.	Total.	India.	England.	Total.
£	£	£	£	£	£
2,416,300	607,100	**3,023,400**	2,941,400	763,000	**3,704,400**
371,100	1,300	**372,400**	451,700	15,000	**466,700**
2,787,400	608,400	**3,395,800**	3,393,100	778,000	**4,171,100**
243,900	6,800	**250,700**	253,000	13,700	**266,700**
...	100,000,000	**100,000,000**	...	...	...

C.—Statement of Receipts and Disbursements of the

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	97,172,985	877,445	98,050,430	107,853,000	2,071,300	109,924,300	106,059,100	3,131,200	109,190,300
Excess of Revenue over Expenditure charged to Revenue			**7,478,170**			**5,711,600**			**2,581,500**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways	...	...	...	—500,000	...	—500,000	—250,000	...	—250,000
Capital contributed by Native States towards construction of State Railways	66,667	...	66,667	66,700	...	66,700	33,300	...	33,300
Outlay of Railway Companies—									
Repayments	...	14,772	14,772	...	7,400	7,400	...	2,000	2,000
Net			0			0			0
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	630,431	...	630,431	310,200	...	310,200	132,500	...	132,500
Net			555,431			0			0
Permanent Debt Incurred—									
Sterling Debt—									
British Government 5 per cent. War loan, 1929-47	...	...		...	64,861,000		...	...	
Rupee Debt—									
Rupee Loan	...	...		...	...		(a) 20,000,000	...	
5 per cent. War Loan 1929-47	736,768	...		7,624,500	...		...	...	
4 „ Conversion Loan 1916-17	4,486,680	...		...	...		...	...	
Total	5,223,448	...	5,223,448	7,624,500	64,861,000	72,485,500	20,000,000	...	20,000,000
Net			4,433,691			68,943,800			0
Temporary Debt Incurred—									
5½ per cent. War Bonds 1,920	1,765,813	...		11,434,900	...		...	...	
Do. do. 1,922	1,512,004	...		6,456,300	...		...	...	
Treasury Bills	...	...		28,666,600	...		28,666,600	...	
Other Temporary Loans	...	2,000,000		2,666,700	...		...	...	
Total	3,277,817	2,000,000	5,277,817	49,224,500	...	49,224,500	28,666,600	...	28,666,600
Net			0			48,891,200			0
Unfunded Debt—									
Post Office Cash Certificates	...	...		6,666,700	...		...	...	
Deposits of Service Funds	87,749	27		86,500	...		86,100	...	
Savings Bank Deposits	7,512,896	...		11,081,800	...		8,167,100	...	
Total	7,600,645	27	7,600,672	17,835,000	...	17,835,000	8,253,200	...	8,253,200
Net			1,474,857			9,616,500			1,215,300
Deposits and Advances—									
Balances of Provincial Allotments	2,397,302	...		2,068,900	...		572,600	...	
Appropriation for Reduction or Avoidance of Debt	479,258	...		639,700	...		553,400	...	
Deposits of Local Funds—									
District Funds	5,416,592	...		5,622,200	...		5,482,400	...	
Other Funds	1,224,572	...		1,201,500	...		1,212,400	...	
Deposits of Sinking Funds	16,479	...		17,100	...		17,800	...	
Gold Standard Reserve	4,213,830	24,525,105		1,092,600	33,584,300		...	28,008,300	
Paper Currency Reserve	...	46,984,376		...	79,267,000		...	91,479,300	
Do. Depreciation Fund	...	399,080		...	1,224,300		...	1,481,000	
Special Reserve	...	...		...	...		...	13,998,100	
Departmental and Judicial Deposits	34,137,966	...		38,985,800	...		33,620,200	...	
Advances	8,091,669	2,934,337		9,871,200	2,564,600		10,736,800	1,854,600	
Suspense Accounts	165,730	...		151,600	...		362,300	...	
Miscellaneous	251,799	955,320		2,813,300	589,400		297,300	671,200	
Total	56,395,197	75,798,218	132,193,415	62,463,900	117,229,600	179,693,500	52,855,200	137,492,500	190,347,700
Net			0			0			4,139,500
Carried over	170,367,190	78,690,462		244,877,800	184,169,300		215,749,900	140,625,700	

(a) The entry of the proposed Rupee War Loan to be issued in 1918-19 under this head is purely provisional, pending decision as to the form which the loan should actually take.

Government of India, in India and in England.

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	67,029,331	21,145,627	88,174,958	75,928,200	26,446,800	102,375,000	82,863,900	23,613,500	106,477,400
Add—Provincial Surpluses transferred to "Deposits"	2,397,302	...	2,397,302	2,068,900	...	2,068,900	572,600	...	572,600
Deduct—Provincial Deficits charged to "Deposits"	...	...	...	*231,200*	...	*231,200*	*441,200*	...	*441,200*
TOTAL	69,426,633	21,145,627	90,572,260	77,765,900	26,446,800	104,212,700	82,995,300	23,613,500	106,608,800
Railway, Irrigation, and other Capital not charged to Revenue—									
OUTLAY ON IRRIGATION WORKS	505,115	6,968	512,083	371,100	1,300	372,400	451,700	15,000	466,700
OUTLAY ON STATE RAILWAYS	1,553,694	318,654	1,872,348	2,416,300	607,100	3,023,400	2,941,400	763,000	3,704,400
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	222,443	21,854	244,297	243,900	6,800	250,700	253,000	13,700	266,700
INDIA'S FINANCIAL CONTRIBUTION TO THE WAR	...	...	...	...	100,000,000	100,000,000	...	...	...
OUTLAY OF RAILWAY COMPANIES—									
Payments for Capital Outlay	450,036	335,329	785,365	75,400	453,700	529,100	—169,700	803,300	633,600
NET			**770,593**			**521,700**			**631,600**
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
Payments for Discharge of Debentures	...	75,000	75,000	...	1,082,500	1,082,500	...	2,374,900	2,374,900
NET			**0**			**772,300**			**2,242,400**
Permanent Debt Discharged—									
Sterling Debt—									
British Government 5 per cent. War Loan, 1929-47	...	...		...	...		...	20,000,000	
India Bonds	...	500,000		...	500,000		...	500,000	
India 4 p. c. Stock	...	...		...	200		...	...	
Rupee Debt—									
5 per cent. War Loan	...	...		293,300	...		293,300	...	
4 p. c. Loans	80,000	...		505,800	...		80,000	...	
3½ p. c. Loans	154,790	...		2,098,800	...		...	...	
3 p. c. Loan	54,967	...		144,100	...		4,000	...	
TOTAL	289,757	500,000	789,757	3,041,500	500,200	3,541,700	377,300	20,500,000	20,877,300
NET			**0**			**0**			**877,300**
Temporary Debt Discharged—									
Treasury Bills	...	...		...	...		28,666,600	...	
Other Temporary Loans	4,000,000	9,000,000		333,300	...		2,666,700	...	
Total	4,000,000	9,000,000	13,000,000	333,300	...	333,300	31,333,300	...	31,333,300
NET			**7,722,183**			**0**			**2,666,700**
Unfunded Debt—									
Post Office Cash Certificates	...	...		666,700	...		...	...	
Special Loans	220	...		100	...		100	...	
Deposits of Service Funds	93,064	...		96,300	...		98,000	...	
Savings Bank Deposits	6,032,531	...		7,455,400	...		6,939,800	...	
TOTAL	6,125,815	...	6,125,815	8,218,500	...	8,218,500	7,037,900	...	7,037,900
NET			**0**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	...	...		231,200	...		441,200	...	
Deposits of Local Funds—									
District Funds	5,388,742	...		5,776,400	...		5,463,300	...	
Other Funds	1,142,666	...		1,204,900	...		1,175,200	...	
Gold Standard Reserve	4,033,724	24,316,280		1,274,000	33,585,700		...	28,008,300	
Paper Currency Reserve	...	46,984,376		...	79,267,000		...	91,479,300	
Do. Depreciation Fund	...	399,060		...	1,224,300		...	1,481,000	
Special Reserve	...	...		...	20,000,000		...	13,998,100	
Departmental and Judicial Deposits	33,598,366	...		37,948,300	...		33,444,100	...	
Advances	8,468,296	3,013,624		12,438,800	2,558,200		8,048,700	2,157,200	
Suspense Accounts	9,108,843	...		4,585,700	...		73,400	...	
Miscellaneous	23,944	310,625		18,500	497,300		...	438,400	
TOTAL	61,764,581	75,023,985	136,788,566	63,477,800	137,132,500	200,610,300	48,645,900	137,562,300	186,208,200
NET			**4,595,151**			**20,916,800**			**0**
Carried over	144,338,074	106,427,417		155,943,700	266,230,900		173,866,100	185,645,700	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	170,367,190	78,690,462		244,877,800	184,169,300		215,749,900	140,625,700	
Loans and Advances by Imperial Government	330,072	...	330,072	358,300	...	358,300	186,600	...	186,600
Net			2,451			0			0
Loans and Advances by Provincial Governments	1,396,171	...	1,396,171	1,245,100	...	1,245,100	1,069,300	...	1,069,300
Net			585,495			598,400			119,100
Loans to Local Boards for Railway Construction	8,020	...	8,020	40,000	...	40,000	8,700	...	8,700
Net			8,020			0			8,700
Remittances—									
Inland Money Orders	42,013,744	...		48,000,000	...		50,000,000	...	
Other Local Remittances	42,936	...		16,389,100	...		11,834,900	...	
Other Departmental Accounts	16,145	...		...	...		31,600	...	
Net Receipts by Civil Treasuries from—									
Railways	15,847,380	...		20,700,100	...		19,390,500	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	1,268,318	...		8,293,200	...		4,082,900	...	
Marine	7,796,429	...		7,684,500	...		6,338,900	...	
Military Works	3,292,904	...		3,796,000	...		2,123,700	...	
Military	41,182,880	...		68,823,400	...		78,632,200	...	
Remittance Account between England and India—									
Transfers through Currency	...	...		...	...		16,347,000	...	
Purchase of Silver	14,957,577	...		13,333,300	...		12,949,100	...	
War Office transactions	24,314,635	38,516,104		6,667,000	68,667,000		5,834,000	73,834,000	
Railway transactions	703,597	16,966		977,600	40,000		1,228,100	6,500	
Other „	8,131,554	7,007,199		3,207,300	19,894,700		3,515,200	11,367,500	
Total	159,568,099	45,540,269	205,108,368	197,871,500	88,601,700	286,473,200	212,308,100	85,208,000	297,516,100
Net			1,651,160			0			2,000,000
Secretary of State's Bills drawn	...	(a) 9,669,240	9,669,240	...	(c) 25,258,000	25,258,000	...	...	...
Total Receipts	331,669,552	133,899,971		444,392,700	293,029,000		429,322,600	225,833,700	
Opening Balance	12,016,056	(b) 12,803,348		15,293,216	(d) 11,391,993		16,522,616	(e) 15,781,193	
GRAND TOTAL	343,685,608	146,703,319		459,685,916	309,420,993		445,845,216	241,614,893	

(a) In addition to £4,334,537 and £18,994,318 on account of the Gold Standard Reserve and the Paper Currency Reserve, respectively.
(c) In addition to £1,420,000 and £8,658,600 on account of the Gold Standard Reserve and the Paper Currency Reserve, respectively.
(e) Of this amount £6,000,056 represents the funds of the Gold Standard Reserve.

DELHI,
FINANCE DEPARTMENT,
March 22, 1918.

M. F. GAUNTLETT,
Offg. Comptroller General.

Government of India, in India and in England—*continued.*

	Accounts, 1916-1917.			Revised Estimate, 1917-1918.			Budget Estimate, 1918-1919.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	144,338,074	106,427,417		155,943,700	266,230,900		173,866,100	185,645,700	
Loans and Advances by Imperial Government .	327,621	...	327,621	361,400	...	361,400	246,100	...	246,100
Net .			0			3,100			59,500
Loans and Advances by Provincial Governments .	810,676	...	810,676	646,700	...	646,700	950,200	...	950,200
Net .			0			0			0
Loans to Local Boards for Railway Construction.									
Net .	...	...	... 0	42,000	...	42,000 2,000	...	...	... 0
Remittances—									
Inland Money Orders .	41,851,366	...		48,000,000	...		50,000,000	...	
Other Local Remittances	...	...		16,389,100	...		11,834,900	...	
Other Departmental Accounts . . .	6,337	...		...	...		31,600	...	
Net Payments into Civil Treasuries by—									
Railways . . .	15,664,799	...		21,153,500	...		19,390,500	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs .	1,266,158	...		3,293,200	...		4,082,900	...	
Marine . . .	7,774,833	...		7,684,500	...		6,338,900	...	
Military Works . .	3,221,843	...		3,796,000	...		2,123,700	...	
Military . . .	41,172,687	...		68,823,400	...		78,632,200	...	
Remittance Account between England and India—									
Transfers through Currency . .	...	...		...	...		...	16,347,000	
Purchase of Silver .	2,827	16,093,978		...	13,500,000		...	12,000,000	
War Office transactions	55,175,547	5,320,891		69,667,000	6,767,000		73,834,000	5,834,000	
Railway transactions .	251	720,312		...	1,017,600		...	1,234,600	
Other „ .	8,436,646	6,748,728		17,475,100	6,124,300		10,307,700	3,524,100	
Total .	174,573,299	28,883,909	203,457,208	261,281,800	27,408,900	288,690,700	256,576,400	38,939,700	295,516,100
Net .			0			2,217,500			0
Secretary of State's Bills paid . .	(a) 8,342,722	...	8,342,722	(c) 24,887,700	...	24,887,700	1,933,300	...	1,933,300
Total Disbursements .	328,392,392	135,311,326		443,163,300	293,639,800		433,572,100	224,585,400	
Closing Balance .	15,293,216	(d) 11,391,993		16,522,616	(e) 15,781,193		12,273,116	(e) 17,029,493	
GRAND TOTAL .	343,685,608	146,703,319		459,685,916	309,420,993		445,845,216	241,614,893	

(b) Of this amount £5,792,631 represents the funds of the Gold Standard Reserve.
(d) Of this amount £6,001,456 represents the funds of the Gold Standard Reserve.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1916-17.	Revised, 1917-18.	Budget, 1918-19.
Madras—	R	R	R
Balance on April 1st	1,10,02,216	1,52,38,000	1,93,57,000
Special grants from Imperial revenues	24,71,500	28,75,000	34,25,000
Other revenue	7,70,07,188	8,00,20,000	8,11,19,000
Total Revenue including transfers from Imperial revenues	7,94,78,688	8,28,95,000	8,45,44,000
Total Expenditure	7,52,42,984	7,87,76,000	8,42,10,000
Closing Balance	1,52,37,920	1,93,57,000	1,96,91,000
Bombay—			
Balance on April 1st	1,77,00,898	2,71,28,000	3,69,68,000
Special grants from Imperial revenues	20,81,200	25,56,000	27,30,000
Other revenue	7,96,63,216	8,48,24,000	9,15,78,000
Total Revenue including transfers from Imperial revenues	8,17,44,416	8,73,80,000	9,43,08,000
Total Expenditure	7,23,16,714	7,75,40,000	9,03,02,000
Closing Balance	2,71,28,600	3,69,68,000	4,09,74,000
Bengal—			
Balance on April 1st	2,79,19,135	3,39,64,000	3,77,52,000
Special grants from Imperial revenues	35,12,600	45,15,000	49,69,000
Other revenue	6,27,19,436	6,42,37,000	6,46,65,000
Total Revenue including transfers from Imperial revenues	6,62,32,036	6,87,52,000	6,96,34,000
Total Expenditure	6,01,87,132	6,49,64,000	7,36,54,000
Closing Balance	3,39,64,039	3,77,52,000	3,37,32,000
United Provinces—			
Balance on April 1st	1,55,34,726	1,92,44,000	2,44,94,000
Special grants from Imperial revenues	24,28,500	34,42,000	29,17,000
Other revenue	6,77,67,222	6,93,94,000	6,98,72,000
Total Revenue including transfers from Imperial revenues	7,01,95,722	7,28,36,000	7,27,89,000
Total Expenditure	6,64,86,884	6,75,86,000	7,19,32,000
Closing Balance	1,92,43,564	2,44,94,000	2,53,51,000
Punjab—			
Balance on April 1st	63,54,888	1,22,75,000	1,89,78,000
Special grants from Imperial revenues	15,22,400	28,70,000	17,80,000
Other revenue	5,02,46,217	5,18,16,000	5,32,21,000
Total Revenue including transfers from Imperial revenues	5,17,68,617	5,46,86,000	5,50,01,000
Total Expenditure	4,58,48,710	4,79,83,000	5,48,61,000
Closing Balance	1,22,74,795	1,89,78,000	1,91,18,000
Burma—			
Balance on April 1st	83,52,055	1,17,80,000	92,00,000
Special grants from Imperial revenues	9,93,800	12,94,000	14,44,000
Other revenue	5,83,39,875	5,38,68,000	6,30,75,000
Total Revenue including transfers from Imperial revenues	5,93,33,675	5,51,62,000	6,45,19,000
Total Expenditure	5,59,05,867	5,77,42,000	6,14,76,000
Closing Balance	1,17,79,863	92,00,000	1,22,43,000
Bihar and Orissa—			
Balance on April 1st	1,42,99,955	1,48,01,000	1,39,13,000
Special grants from Imperial revenues	14,63,500	18,80,000	21,59,000
Other revenue	3,03,96,954	3,09,40,000	3,26,38,000
Total Revenue including transfers from Imperial revenues	3,18,60,454	3,28,20,000	3,47,97,000
Total Expenditure	3,13,59,459	3,37,08,000	3,67,16,000
Closing Balance	1,48,00,950	1,39,13,000	1,19,94,000
Central Provinces—			
Balance on April 1st	1,00,64,032	1,26,35,000	1,36,24,000
Special grants from Imperial revenues	9,14,000	13,59,000	12,24,000
Other revenue	2,93,61,362	2,97,04,000	3,05,90,000
Total Revenue including transfers from Imperial revenues	3,02,75,362	3,10,63,000	3,18,14,000
Total Expenditure	2,77,04,121	3,00,74,000	3,24,94,000
Closing Balance	1,26,35,273	1,36,24,000	1,29,44,000
Assam—			
Balance on April 1st	19,97,779	21,20,000	24,64,000
Special grants from Imperial revenues	4,47,500	5,48,000	6,48,000
Other revenue	1,41,09,770	1,42,74,000	1,52,61,000
Total Revenue including transfers from Imperial revenues	1,45,57,270	1,48,22,000	1,59,09,000
Total Expenditure	1,44,34,836	1,44,78,000	1,57,00,000
Closing Balance	21,20,213	24,64,000	26,73,000
Total—			
Balance on April 1st	11,32,25,684	14,91,85,000	17,67,50,000
Special grants from Imperial revenues	1,58,35,000	2,13,39,000	2,12,96,000
Other revenue	46,96,11,240	47,90,77,000	50,20,19,000
Total Revenue including transfers from Imperial revenues	48,54,46,240	50,04,16,000	52,33,15,000
Total Expenditure	44,94,86,707	47,28,51,000	52,13,45,000
Closing Balance	14,91,85,217	17,67,50,000	17,87,20,000
Total (in sterling)—	£	£	£
Balance on April 1st	7,548,379	9,945,600	11,783,300
Special grants from Imperial revenues	1,055,667	1,422,600	1,419,700
Other revenue	31,307,416	31,938,500	33,468,000
Total Revenue including transfers from Imperial revenues	32,363,083	33,361,100	34,887,700
Total Expenditure	29,965,781	31,523,400	34,756,300
Closing Balance	9,945,681	11,783,300	11,914,700

M. F. GAUNTLETT,
Offg. Comptroller General.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secy. to the Govt. of India.

DELHI,
FINANCE DEPARTMENT,
March 22, 1918.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1916-1917.					REVISED ESTIMATE, 1917-1918.		BUDGET ESTIMATE, 1918-1919.	
		EXPENDITURE.							
	Revenue.	Refunds and Assignments.	Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue — Land Revenue (excluding that due to Irrigation)	22,041,265	778,832	3,813,133	17,449,300		16,961,000		17,989,500	
Opium	3,160,005	3,584	912,394	2,244,027		1,949,700		1,933,900	
Salt	4,826,260	264,096	398,186	4,163,978		4,751,100		2,682,800	
Stamps	5,776,696	57,192	173,466	5,546,038		5,487,800		5,686,100	
Excise	9,215,899	109,818	478,632	8,627,449		9,466,700		10,011,300	
Provincial Rates	31,391	313	...	31,078		28,300		28,900	
Customs	8,659,182	265,799	271,164	8,122,219		10,597,300		10,232,800	
Income Tax	3,772,967	33,594	37,112	3,702,261		5,980,800		6,229,200	
Forest	2,470,795	8,676	1,251,765	1,210,354		1,237,600		1,161,800	
Registration	540,581	757	263,761	276,063		262,000		267,900	
Tributes	612,429	206,394	...	406,035		409,600		406,900	
TOTAL	61,107,470	1,729,055	7,599,613	51,778,802		57,131,900		56,631,100	
Total deduction from Revenue		9,328,668							
Expenditure Heads.									
Debt Services — Interest	1,136,504	1,174,864			38,360		5,552,200		4,231,700
Commercial Services — Posts and Telegraphs	4,174,607	3,441,387		733,220		893,100		851,400	
Railways	21,313,797	13,831,922		7,481,875		10,174,800		9,201,700	
Irrigation	5,155,624	3,549,912		1,605,712		1,441,900		1,391,700	
Other Public Works — Civil Works, etc.	309,373	4,618,535			4,309,162		4,803,600		5,752,809
Mint — Mint	689,866	167,411		522,455		350,900		206,000	
Civil Departments — Civil Departments	1,739,713	19,081,230			17,341,517		19,010,100		21,208,200
Miscellaneous Civil Services — Superannuation	219,865	3,475,700			3,255,835		3,298,500		3,357,200
Exchange	111,371	...		111,371		1,000,000			
Miscellaneous	420,260	671,050			250,790	291,900		242,400	
Other heads	96,034	1,267,522			1,171,488		1,288,300		1,261,500
Famine Relief and Insurance — Famine Relief	...	187,617			187,617		6,500		40,400
Other heads	...	812,383			812,383		993,500		959,600
Military Services — Army — Effective	993,194	21,221,694			20,228,500		23,550,000		23,635,600
Army — Non-effective	122,824	3,038,309			2,915,985		3,004,200		3,011,200
Marine	365,027	693,680			328,653		435,600		651,700
Military works	95,401	1,594,538			1,499,137		1,782,300		1,701,500
Special Defences (1902)	...	18,536			18,536		10,400		...
TOTAL	98,050,430	88,174,958		9,875,472		7,549,300		2,712,900	
Provincial Adjustment — Surplus		2,397,302			2,397,302		1,837,700		131,400
Deficit		...							
TOTAL	98,050,430	90,572,260		7,478,170		5,711,600		2,581,500	
Surplus				7,478,170		5,711,600		2,581,500	
Capital Account — Railway, Irrigation and other Capital not charged to Revenue:—									
Capital raised through Companies towards outlay on State Railways						—500,000		—250,000	
Capital contributed by Native States towards construction of State Railways				66,667		66,700		33,300	
Capital raised and deposited by Railway Companies (net)				555,431			772,300		2,242,406
Outlay on Irrigation Works					512,083		372,400		466,709
Outlay on State Railways					1,872,343		3,023,400		3,704,400
Initial outlay on new Capital at Delhi					244,297		250,700		266,700
India's Financial Contribution to the War							100,000,000		
Outlay of Railway Companies (net)					770,593		521,700		631,600
Debt, Deposits, Advances, and Remittances — Permanent Debt (net)				4,433,691		68,943,800			877,300
Temporary Debt (net)					7,722,183	48,891,200			2,666,700
Unfunded Debt (net)				1,474,857		9,616,500		1,215,300	
Loans and Advances by Imperial Government (net)				2,451			3,100		59,500
Loans and Advances by Provincial Governments (net)				585,495		598,400		119,100	
Loans to Local Boards for Railway Construction (net)				8,020			2,000	8,700	
Deposits and Advances (net)					4,595,151		20,916,800	4,139,500	
Remittances (net)				1,651,160			2,217,500	2,000,000	
Secretary of State's Bills drawn				9,669,240		25,258,000			
Secretary of State's Bills paid					8,342,722		24,887,700		1,933,300
				25,925,182	24,059,377	158,586,200	152,967,600	9,847,400	12,848,600
Cash Balance — Opening Balance				24,819,404		26,685,209		32,303,809	
Closing Balance					26,685,209		32,303,809		29,302,609
TOTAL				50,744,586	50,744,586	185,271,409	185,271,409	42,151,209	42,151,209

M. F. GAUNTLETT,
Offg. Comptroller-General.

M. M. S. GUBBAY,
Controller of Currency.

H. F. HOWARD,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT
March 22, 1918.

MEMORANDUM EXPLAINING THE DETAILS OF THE ESTIMATES.

Introductory.

In this memorandum the variations between the Budget and the Revised estimates of the current year, and between the latter and the Budget estimates of next year, are explained in detail for the major heads of account. Under most of the heads details by provinces have been given, and it may be explained that the figures shown against "India General" represent the transactions of the Central Government, including all expenditure directly controlled by it, of the minor administrations of Ajmer-Merwara and Coorg, and of the convict settlement in the Andamans. The Budget estimates of Provincial and "Divided" expenditure in 1918-19 generally represent the allotments proposed by the several Governments and Administrations with whom regular provincial settlements have been concluded. More detailed information regarding the figures will be found in the Financial Statements presented by the Local Governments to their respective Councils.

2. The figures for the province of Delhi have been entered separately and explained under each major head of account. A *pro formâ* account of expenditure on Delhi and the Delhi province is also appended to this memorandum (Appendix I), together with a prefatory note explaining the scope of the *pro formâ* account and the relation between it and the regular accounts.

3. A statement is added to the memorandum (Appendix II) bringing together for each province and for the Home treasury of the Government of India the actual revenue and expenditure under each major head during the last year, the Revised estimates of the current year and the Budget estimates of the next year. The statement takes the place of a return which was formerly presented separately to Parliament and will serve as an expansion of the totals of revenue and expenditure exhibited in the Budget Statements proper (Statements A to E) and as a summary of the figures shown for each province under the several heads in this memorandum.

General results.

4. The broad totals of revenue and expenditure for the last year, the current year and the ensuing year, are as follows:—

	Accounts, 1916-17.
	£
Revenue	98,050,430
Expenditure charged to Revenue	90,572,260
Imperial surplus	7,478,170

	Revised, 1917-18.
	£
Revenue	109,924,300
Expenditure charged to Revenue	104,212,700
Imperial surplus	5,711,600

	Budget, 1918-19.
	£
Revenue	109,190,300
Expenditure charged to Revenue	106,608,800
Imperial surplus	2,581,500

These figures exclude all capital, debt and remittance transactions.

Accounts, 1916-17.

5. The Accounts of 1916-17 are not discussed in this memorandum, but according to our usual practice in the past a brief explanation is given below of the principal divergences between the Revised estimates of revenue and expenditure as submitted to the Council twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Comptroller and Auditor-General.

6. The broad results are brought out in the following table :—

	Revised, 1916-17.			Actuals, 1916-17.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
	£	£	£	£	£	£
Revenue . . .	64,837,800	31,936,700	96,774,500	65,687,300	32,363,100	98,050,400
Expenditure . .	58,849,100	30,329,700	89,178,800	58,209,100	29,965,800	88,174,900
Surplus .	5,988,700	1,607,000	7,595,700	7,478,200	2,397,300	9,875,500

7. The Imperial revenue exceeded the Revised estimate by £849,500 while the Imperial expenditure fell short of it by £640,000, with the result that the surplus was £1,489,500 more than was anticipated. The principal items contributing to this improvement are mentioned below. There was an increase of £381,700 in the gross traffic receipts from railways, mainly on the Great Indian Peninsula, Bombay, Baroda and Central India, Madras and Southern Mahratta and North Western lines; the traffic conditions in January and February 1917 were depressed owing to difficulties in regard to coal supplies, but they recovered sooner than expected, and there was a general rise in earnings during the last few weeks of March. With a small excess of £39,000 in the working expenses, the betterness in the net receipts of Railways amounted to £342,700. The Imperial share of Major Irrigation revenue and Income-tax collections showed improvements of £92,800 and £95,300 respectively. A decrease of £363,200 occurred under Political expenditure by reason mainly of the fact that the adjustment of the Indian share of the expenditure on the South Persia Rifles for which the Revised estimate included a provision of £300,000 had to be postponed to the accounts for 1917-18. The net Military expenditure showed a saving of £164,200 owing principally to larger realisations from the sale of dairy produce, provisions and stores. There were lapses of £114,200 in the grant for the Postal and Telegraph Department and of £99,000 under Opium expenditure, due in the latter case to a reduction in the payments for the purchase of Malwa opium. The improvement of £790,300 in the Provincial section was the result mainly of better collections of income-tax, irrigation, forest and excise revenue and of savings in the grants for expenditure on civil works, education, sanitation and land revenue establishments.

Authors of Memorandum.

8. Paragraphs 205 to 220 of the memorandum have been communicated by the Honourable Mr. G. B. H. Fell, C.S.I., C.I.E., Financial Adviser, Military Finance, and paragraphs 165 to 174 and 230 to 233 by Mr. H. N. Heseltine, C.I.E., Accountant General, Railways; the rest of the memorandum has been drafted by Mr. A. V. Venkataramana Aiyar, B. A., Assistant Secretary in the Finance Department.

I AND 3.—LAND REVENUE.

REVENUE.

(Including the portion due to Irrigation.)

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	7,24,712	7,14,006	7,60,795	7,43,000	7,61,000	7,92,000
2. Delhi	3,19,227	4,13,467	3,48,021	3,73,000	3,43,000	3,73,000
3. Baluchistan	10,18,550	9,45,527	10,85,662	10,60,000	10,01,000	10,54,000
4. North-West Frontier	22,60,241	22,03,033	22,05,190	22,77,000	23,32,000	23,47,000
5. Other Provinces	17,59,382	23,80,959	40,19,895	39,50,000	34,80,000	24,00,000
Total	60,82,112	66,56,992	84,19,563	84,03,000	79,17,000	69,66,000
Divided and Provincial.						
1. Madras	6,77,35,907	6,97,93,862	7,00,16,684	7,09,89,000	7,08,17,000	7,15,04,000
2. Bombay	5,36,52,418	5,49,84,813	5,41,07,087	5,48,62,000	5,32,73,000	5,64,79,000
3. Bengal	2,69,87,049	2,82,05,800	2,79,27,219	2,78,59,000	2,74,75,000	2,79,94,000
4. United Provinces	6,40,10,989	6,93,40,212	6,66,08,251	6,73,06,000	6,70,88,000	6,71,69,000
5. Punjab	3,86,30,652	3,87,69,925	4,04,51,302	4,02,62,000	4,17,96,000	4,18,15,000
6. Burma	4,48,07,155	4,66,63,827	4,75,95,073	4,79,00,000	4,07,00,000	5,50,00,000
7. Bihar and Orissa	1,51,42,994	1,50,92,834	1,54,66,425	1,52,93,000	1,52,08,000	1,53,65,000
8. Central Provinces	1,88,25,898	1,97,48,498	1,98,54,287	2,00,90,000	1,95,80,000	2,00,60,000
9. Assam	74,65,876	78,16,453	75,79,713	81,76,000	82,01,000	84,47,000
Total	33,72,58,938	35,04,16,224	34,96,06,041	35,27,42,000	34,41,38,000	36,38,33,000
TOTAL REVENUE ₹	34,33,41,050	35,70,73,216	35,80,25,604	36,11,45,000	35,20,55,000	37,07,99,000
Shown under I.—Land Revenue ₹	31,83,23,088	33,04,67,411	33,06,18,976	33,32,72,000	32,41,67,000	34,19,78,000
Shown under XXIX.—Irrigation ₹	2,50,17,962	2,66,05,805	2,74,06,628	2,78,73,000	2,78,88,000	2,88,21,000
Equivalent of total Revenue in Sterling £	22,889,403	23,804,881	23,868,373	24,076,400	23,470,300	24,720,000
Shown under I.—Land Revenue £	21,221,539	22,031,161	22,041,265	22,218,200	21,611,100	22,798,600
Shown under XXIX.—Irrigation £	1,667,864	1,773,720	1,827,108	1,858,200	1,859,200	1,921,400

EXPENDITURE.

Imperial.						
1. India General	4,11,539	4,13,480	4,10,603	4,22,000	4,16,000	4,24,000
2. Delhi	1,02,099	1,06,710	1,03,806	1,06,000	1,12,000	1,05,000
3. Baluchistan	2,29,749	2,29,586	2,20,136	2,23,000	2,21,000	2,27,000
4. North-West Frontier	6,48,563	6,32,824	6,57,547	7,06,000	6,77,000	7,27,000
5. Other Provinces	34,02,717	30,42,742	26,60,612	31,01,000	28,03,000	32,23,000
Total	47,94,667	44,25,342	40,52,704	45,58,000	42,29,000	47,06,000
Provincial.						
1. Madras	1,25,47,258	1,23,55,014	1,22,76,233	1,25,50,000	1,25,17,000	1,27,63,000
2. Bombay	89,04,087	86,58,731	82,57,931	87,92,000	86,30,000	89,29,000
3. Bengal	33,89,970	34,76,687	34,92,481	35,57,000	34,38,000	36,28,000
4. United Provinces	91,84,818	95,07,344	95,69,444	98,92,000	96,55,000	97,76,000
5. Punjab	49,87,071	49,46,687	47,29,433	51,13,000	48,10,000	55,45,000
6. Burma	68,14,945	70,94,318	68,54,578	69,42,000	65,52,000	69,01,000
7. Bihar and Orissa	24,69,531	23,12,937	22,98,084	25,33,000	24,39,000	24,16,000
8. Central Provinces	41,15,623	41,26,317	39,98,035	40,52,000	39,70,000	40,65,000
9. Assam	14,77,681	16,37,550	16,43,845	16,75,000	16,11,000	15,82,000
Total	5,38,90,984	5,41,15,585	5,31,20,064	5,51,06,000	5,36,22,000	5,56,05,000
TOTAL INDIA ₹	5,86,85,651	5,85,40,927	5,71,72,768	5,96,64,000	5,78,51,000	6,03,11,000
Equivalent in Sterling £	3,912,377	3,902,729	3,811,518	3,977,600	3,856,700	4,020,700
England £	1,641	985	1,615	2,000	2,100	1,500
TOTAL EXPENDITURE £	3,914,018	3,903,714	3,813,133	3,979,600	3,858,800	4,022,200

9. The Imperial expenditure shown against "Other Provinces" in the table on the preceding page represents the cost of survey and record-of-right operations on a large scale in Bengal and in Bihar and Orissa, undertaken more for administrative than for fiscal purposes. The expenditure is of a temporary and varying character and was accordingly not considered suitable for inclusion in the financial settlements with the two provinces. Three-fourths of the charges are eventually recovered from landlords and tenants for the protection of whose rights the operations are primarily undertaken; and the recoveries are shown in the table as Imperial revenue against "Other Provinces".

REVENUE.

(*a*) *Wholly Imperial.*

Revised, 1917-18.

10. The Revised estimate for 1917-18 is less than the Budget by ₹4·86 lakhs. The reduction occurs almost entirely in the recoveries of survey and settlement charges in Bengal (₹3·20 lakhs) due to excess recoveries effected in 1916-17, and in Bihar and Orissa (₹1·50 lakhs) owing to less rapid progress with the programme of operations. There is also a small decline in the land revenue collections in Baluchistan and Delhi, but it will be counterbalanced by the recovery of arrears in the North-West Frontier Province.

Budget, 1918-19.

11. The Budget estimate for 1918-19 falls short of the Revised estimate for 1917-18 by ₹9·51 lakhs. A decrease of ₹10·80 lakhs is anticipated in the receipts on account of survey and settlement charges in Bengal and Bihar and Orissa as the result of a reduction in the programme of recovery operations. Provision has been made for normal collections of land revenue.

(*b*) *Divided and wholly Provincial.*

Revised, 1917-18.

12. The total collections in 1917-18 will fall short of the Budget estimate by ₹86·04 lakhs. There will be a considerable decline of ₹72 lakhs in Burma owing to a postponement of collections as a result of the unsettled condition of the paddy market. Decreases of revenue are also expected to the extent of ₹15·89 lakhs in Bombay in consequence of suspensions necessitated by excessive rainfall in certain districts, a change in the dates for instalments in the Broach district, and a low inundation in parts of the Sind division; ₹5·10 lakhs in the Central Provinces owing to unfavourable crops in certain districts; ₹2·18 lakhs in the United Provinces as the result of improved collections in 1916-17 and a consequent reduction in the demand which remained outstanding at the end of that year; and ₹3·84 lakhs in Bengal and ₹1·72 lakhs in Madras due to a retardation of collections by late harvests. On the other hand, there will be a large rise of ₹15·34 lakhs in the Punjab as the *rabi* harvest proved to be much better than anticipated when the Budget was framed.

Budget, 1918-19.

13. The total Budget estimate for 1918-19 is more than the Revised estimate for 1917-18 by ₹1,96·95 lakhs. The estimates have been framed as usual on the basis of normal monsoon conditions in the ensuing year, and an increase in revenue is expected in all the provinces. It is expected that the bulk of the revenue, the collection of which has been deferred in Burma in the current year, will be realised in 1918-19. Provision has been made for recoveries of arrears also in Bombay, Madras, the Central Provinces and Bengal, for an extensive wheat crop in Sind, for enhanced assessments and an extension of canal irrigation in the Punjab, and for normal growth in the revenue demand in other provinces.

EXPENDITURE.

(*a*) *Wholly Imperial* (*India and England*).

Revised, 1917-18.

14. The saving of ₹3·27 lakhs on the Budget estimate for 1917-18 is chiefly due to lapses in the grants for survey and settlement expenditure in Bengal and Bihar and Orissa. The Budget estimate for 1918-19 is taken at ₹4·68 lakhs more than the Revised for the current year. The increase is almost wholly due to a larger provision for the same item of expenditure.

Budget, 1918-19.

(*b*) *Provincial.*

Revised, 1917-18.

15. The total expenditure in the current year will fall short of the Budget estimate by R14·84 lakhs, the reduction being distributed over all the provinces. The temporary transfer of officers to military duty and to other departments and the reduced rates for exchange compensation allowance introduced in the latter part of the current year contribute to part of the saving in most provinces. Among other causes may be mentioned—

(1) The total or partial non-utilization of grants for the revision of village establishments in Madras and land record establishments in the Central Provinces, and for grain compensation allowance in the Punjab,

(2) The non-introduction of the revised scale for Deputy Collectors in its entirety in the United Provinces,

(3) Smaller outlay on commission on revenue collections in Burma and on the improvement of Government estates in Bengal and Bihar and Orissa, and

(4) The earlier completion of certain settlement operations in Assam than anticipated in the Budget.

There will be an increase of R2·49 lakhs in Bombay owing to the grant of grain compensation allowance for which no provision was included in the Budget, but it will be more than covered by savings under other items of expenditure.

Budget, 1918-19.

16. The total Budget estimate for 1918-19 exceeds the Revised for the current year by R19·83 lakhs. The increase is distributed over all the provinces with the exception of Assam and Bihar and Orissa. Provision has generally been based on existing sanctions and commitments. The largest increase occurs in the Punjab and is due to provision for additional survey and settlement operations (R2·37 lakhs), charges connected with the formation of a new district (R1·33 lakhs), increased pay to menial establishments and the reorganisation of district office establishments (R2 lakhs) and larger outlay on grain compensation allowance (R·75 lakh). Special allotments have also been made for the revision of village establishments in Madras (R1·09 lakhs) and Bombay (R·84 lakh) and land record establishments in the Central Provinces (R1·09 lakhs), for a larger programme of settlement operations in Madras (R1·44 lakhs), for charges connected with the settlement of criminal tribes in Bombay (R·60 lakh), and for increased outlay on grain compensation allowance in the same province (R·59 lakh) and on the improvement of Government estates in Bengal (R1·41 lakhs).

II AND 4—OPIUM.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
INDIA.						
Revenue—						
Sale of provision & medical Opium .	1,87,71,783	2,41,19,712	4,15,78,728	4,49,90,000	4,01,07,000	4,10,27,000
Excise Opium and other Revenue .	48,11,491	45,83,000	58,21,345	58,50,000	59,21,000	68,50,000
TOTAL ₹	2,35,83,274	2,87,02,712	4,74,00,073	5,08,40,000	4,60,28,000	4,78,77,000
Equivalent in Sterling £	1,572,218	1,913,514	3,160,005	3,589,300	3,068,500	3,191,800
Expenditure—						
Purchase of Opium (including payments to Cultivators) .	85,79,357	1,58,70,745	1,21,60,402	1,83,27,000	1,50,81,000	1,68,02,000
Other Charges . .	12,27,924	12,82,616	15,13,254	14,75,000	16,26,000	19,94,000
TOTAL INDIA ₹	98,07,281	1,71,53,361	1,36,73,656	1,98,02,000	1,67,07,000	1,87,96,000
Equivalent in Sterling £	653,819	1,143,557	911,577	1,320,100	1,113,800	1,253,100
ENGLAND.						
Miscellaneous Charges £	270	774	817	900	1,400	1,200
TOTAL £	654,089	1,144,331	912,394	1,321,000	1,115,200	1,254,300

REVENUE.

(i) *Provision and medical opium.*

Revised, 1917-18.

17. The Budget estimate for 1917-18 provided for a revenue of ₹4,49·90 lakhs from the sale of 16,870 chests of opium for consumption outside India, of which 7,000 chests were to be disposed of at the monthly auctions held at Calcutta, and the balance was to be supplied to the Governments of the Straits Settlements, Hong Kong and the Netherlands Indies or sold in England for medicinal purposes. As a result of difficulties connected with freight and exchange and the large stocks which the dealers had in hand, only 530 chests, out of 2,915 offered for sale, were disposed of at the first five auctions of the year. It is expected that 4,264 chests will be sold by auction during the year and that they will fetch a revenue of ₹1,39·34 lakhs, *i.e.*, an average of ₹3,268 a chest, or slightly more than the upset price of ₹3,200 which has been in force throughout the year. Arrangements have also been made for the direct supply of opium to the Governments of Siam and British North Borneo on the lines of those entered into with the other Governments named above, and the demand from the Straits Settlements has been larger than contemplated in the Budget. Taking into account opium supplied to these countries and sold in England for medicinal purposes, it is expected that about 15,700 chests will be disposed of in the current year, the proceeds amounting to ₹4,01·07 lakhs.

Budget, 1918-19.

18. The Budget estimate for 1918-19 anticipates a revenue of ₹4,10·27 lakhs from the sale of about 15,700 chests of provision and medical opium, of which 5,600 chests will be sold by public auction and the balance will be supplied to the countries named in paragraph 17 or sold in England for medicinal purposes.

(*ii*) *Excise opium and other revenue.*

19. The Revised estimate for 1917-18 does not differ materially from the Budget. Only the amount charged to local Governments on account of the cost of production of opium consumed in India is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue. Owing to the increase from Rs. 7½ to Rs. 9 a seer recently made in the price paid to cultivators for crude opium, it has been decided to raise the cost price at which opium is supplied to local Governments from Rs. 11 to Rs. 13 a seer with effect from the 1st April 1918. This accounts for the increase of R9·29 lakhs in revenue in the Budget for 1918-19 as compared with the Revised estimate for 1917-18.

Revised, 1917-18.

Budget, 1918-19.

EXPENDITURE.

20. The Revised estimate for 1917-18 falls short of the Budget provision by R30·87 lakhs. A reduction of R22·90 lakhs is anticipated in the payments to cultivators in the United Provinces owing to the area brought under cultivation in the current year having fallen short of original expectations, and the Budget provision for the purchase of mature Malwa opium will not be utilised to the extent of R12·30 lakhs. On the other hand, there will be an excess of R2·74 lakhs in the advance payments to cultivators in certain Native States in Central India, with which arrangements have been made for the special cultivation of opium, commencing from the current year, for sale to Government in order to supplement the supply of Bengal opium. The Budget estimate for 1918-19 provides for an expansion of the area cultivated with poppy in the United Provinces and, in the case of the Central India States, for final payments on account of the current year's crop and for advances in respect of the cultivation in 1918.

Revised, 1917-18.

Budget, 1918-19.

III AND 5.—SALT.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
REVENUE.						
Northern India (*a*)	1,56,28,033	1,47,09,662	2,54,11,204	1,20,00,000	3,48,12,000	55,01,000
Madras (*a*)	1,17,06,298	1,15,78,575	1,28,65,839	1,40,80,000	1,61,36,000	1,61,80,000
Bombay (*a*)	1,49,70,019	1,39,91,462	1,80,09,168	1,78,25,000	1,72,00,000	1,82,00,000
Bengal (*b*)	1,40,25,260	1,23,67,112	1,34,04,794	1,30,86,000	1,10,00,000	95,00,000
Burma (*b*)	23,29,911	20,64,895	27,01,850	26,00,000	29,42,000	30,00,000
Bihar and Orissa	1,471	1,256	266	1,000	1,000	1,000
Assam	849	840	770	1,000	1,000	1,000
TOTAL ₹	5,86,61,841	5,47,13,802	7,23,93,891	5,95,93,000	8,20,92,000	5,23,83,000
Equivalent in Sterling £	3,910,790	3,647,587	4,826,260	3,972,900	5,472,800	3,492,200
CHARGES.						
Establishment charges	43,17,608	43,72,216	43,55,554	45,51,000	47,24,000	52,55,000
Cost of salt purchased by Government	10,64,773	12,41,171	15,91,345	15,43,000	16,55,000	21,57,000
Total India ₹	53,82,376	56,13,387	59,46,899	60,94,000	63,79,000	74,12,000
Equivalent in Sterling £	358,825	374,226	396,460	406,300	425,300	494,100
England £	1,692	2,496	1,726	2,300	600	2,500
TOTAL £	360,517	376,722	398,186	408,600	425,900	496,600
Total Consumption (*c*) Mds.	5,07,42,000	4,74,62,000	5,10,38,000	4,87,90,000	4,51,26,000	5,12,75,000

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.
(*c*) The figures for Northern India included in the total consumption now represent actual or estimated issues instead, as hitherto, of authorised issues.

REVENUE.

Revised, 1917-18.

21. With a view to secure the prior right of obtaining salt heavy advance payments of duty were again made by traders in Northern India from July to November 1917. Owing to the excessive accumulation of indents awaiting compliance and a reduction in output which resulted from damage to the salt sources caused by abnormal rains, it was decided in the last week of November 1917 to stop the receipt of duty and of further indents. At the same time, in order to check an acute rise in prices which had occurred in several provinces, local bodies, co-operative credit societies, native states, etc., were permitted to obtain supplies in preference to the ordinary traders and to open depôts for the sale of salt at fair prices. These measures were accompanied by an offer to refund to traders in Northern India the duty paid by them in advance of the issue of salt, provided that applications for refunds are presented before the 31st March 1918. Allowing for these factors, the revenue in Northern India in 1917-18 is expected to exceed the Budget estimate by ₹2,28·12 lakhs.

There will also be an increase of ₹20·56 lakhs in Madras owing mainly to the sale of Government salt by auction in certain factories in which stocks were low, but it will be more than set off by a decline in Bengal (₹20·86 lakhs) due to a contraction of imports in consequence of freight difficulties, and in Bombay (₹6·25 lakhs) as a result of the stoppage, in the latter part of the year, of the removal of Baragora salt for consumption outside the Presidency.

Budget, 1918-19.

22. The total issues of salt in 1918-19, imported as well as locally manufactured, are taken at 513 lakhs of maunds. In estimating, however, the net receipts of duty during the year allowance has been made for the advance payments made in Northern India up to November 1917 and for claims for

refunds, payment of which is likely to be thrown forward from the current year. Inclusive of sale-proceeds of Government salt and other miscellaneous receipts, the Budget estimate of revenue for 1918-19 has accordingly been placed at R5,23·83 lakhs.

EXPENDITURE.

23. The Revised estimate for 1917-18 exceeds the Budget by R2·60 lakhs. The increase occurs in all the areas of local manufacture, *viz.*, Northern India (R1·84 lakhs), Madras (R1·12 lakhs) and Bombay (R1·02 lakhs). It is due generally to measures undertaken to extend the salt works and improve their output in view of the present situation in regard to the supplies of salt. The extra expenditure in Madras arising from this cause is partly counterbalanced by savings in the grants for other items of expenditure. The Budget estimate for 1918-19 is more than the Revised estimate for the current year by R10·61 lakhs. The rise is attributable to further measures for extending the salt works and improving their output and to larger purchases from licensees to increase the stocks of Government salt. Provision has also been made in Northern India for an expenditure of R3 lakhs on raising and strengthening the Kayar embankments at Sambhar in order to reduce the liability of the salt works to damage from rains.

Revised, 1917-18.

Budget, 1918-19.

IV AND 6.—STAMPS.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General . .	4,30,499	4,45,677	4,22,188	4,24,000	4,11,000	3,99,000
2. Delhi . . .	3,26,745	3,22,777	3,53,754	3,42,000	3,80,000	3,79,000
3. Baluchistan . .	87,078	89,550	86,815	90,000	92,000	91,000
4. North-West Frontier	6,19,027	6,74,843	7,05,227	7,25,000	7,33,000	7,47,000
TOTAL .	14,63,349	15,32,847	15,67,984	15,81,000	16,16,000	16,16,000
Divided.						
1. Madras . . .	1,38,98,284	1,51,01,998	1,55,89,277	1,60,50,000	1,55,00,000	1,59,50,000
2. Bombay . . .	80,59,237	85,28,187	97,64,993	96,50,000	1,01,00,000	1,04,00,000
3. Bengal . . .	2,02,68,265	2,24,37,340	2,41,51,970	2,53,00,000	2,31,00,000	2,41,00,000
4. United Provinces .	1,18,18,155	1,25,11,383	1,29,89,366	1,34,00,000	1,32,50,000	1,37,00,000
5. Punjab . . .	54,38,062	58,11,218	59,82,286	61,00,000	60,75,000	61,50,000
6. Burma . . .	34,28,201	35,15,055	36,64,993	36,50,000	32,50,000	35,00,000
7. Bihar and Orissa .	68,04,228	66,97,240	73,22,624	75,50,000	76,00,000	78,50,000
8. Central Provinces .	36,21,293	39,44,865	41,82,422	45,50,000	42,00,000	43,00,000
9. Assam . . .	14,31,576	14,24,354	14,34,522	14,50,000	14,84,000	15,04,000
TOTAL .	7,47,67,301	7,99,71,640	8,50,82,453	8,77,00,000	8,45,59,000	8,74,54,000
TOTAL REVENUE ₹	7,62,30,650	8,15,04,487	8,66,50,437	8,92,81,000	8,61,75,000	8,90,70,000
Distribution of Total Revenue :—						
Court Fees and Plain Paper . . .	5,24,85,951	5,60,06,140	5,89,86,754	6,05,17,000	5,94,41,000	6,11,22,000
Commercial and other stamps . . .	2,31,20,128	2,48,62,238	2,72,54,189	2,74,54,000	2,54,81,000	2,66,79,000
Other Revenue . .	6,24,571	6,36,109	4,09,494	13,10,000	12,53,000	12,69,000
Equivalent of total revenue in Sterling £	5,082,043	5,433,632	5,776,696	5,952,100	5,745,000	5,938,000

EXPENDITURE.

Imperial.						
1. India General :—						
(*i*) Superintendence and other charges .	2,38,454	2,25,214	2,67,970	2,61,000	3,67,000	3,63,000
(*ii*) Credits for value of stamps supplied to Local Governments and administrations and to the Postal and Telegraph Departments.	—15,06,504	—15,01,791	—15,32,435	—16,19,000	—17,74,000	—17,83,000
2. Delhi . . .	5,931	6,456	6,804	6,000	6,000	6,000
3. Baluchistan . .	1,256	1,312	1,376	1,000	1,000	1,000
4. North-West Frontier	22,608	22,405	28,260	29,000	25,000	29,000
TOTAL .	—12,38,255	—12,46,404	—12,78,025	—13,22,000	—13,75,000	—13,84,000
Divided.						
1. Madras . . .	4,33,776	4,13,897	4,46,380	4,44,000	4,96,000	4,52,000
2. Bombay . . .	2,37,489	2,38,679	2,59,181	2,48,000	2,88,000	2,96,000
3. Bengal . . .	6,22,265	5,82,710	6,26,371	6,28,000	6,84,000	7,37,000
4. United Provinces .	2,42,781	2,63,448	2,58,580	2,72,000	2,90,000	2,87,000
5. Punjab . . .	1,71,110	1,78,242	1,76,799	1,77,000	1,90,000	2,03,000
6. Burma . . .	91,573	94,632	1,00,503	1,00,000	92,000	98,000
7. Bihar and Orissa .	2,19,626	1,77,887	1,91,031	2,07,000	2,24,000	2,32,000
8. Central Provinces .	1,11,528	1,10,505	1,18,406	1,27,000	1,24,000	1,30,000
9. Assam . . .	64,062	48,108	48,680	50,000	51,000	50,000
TOTAL .	21,94,210	21,08,108	22,25,931	22,53,000	24,39,000	24,85,000
TOTAL INDIA . ₹	9,55,955	8,61,704	9,47,906	9,31,000	10,64,000	11,01,000
Equivalent in Sterling £	63,730	57,447	63,194	62,100	70,900	73,400
England . £	56,133	89,703	110,272	98,600	125,000	120,000
TOTAL EXPENDITURE £	119,863	147,150	173,466	160,700	195,900	193,400

REVENUE.

(*a*) *Wholly Imperial.*

24. The figures show little variation.

(*b*) *Divided.*

Revised, 1917-18.

25. The total Revised for 1917-18 is less than the Budget by R31·41 lakhs. The latter provided for a moderate increase over the revenue of the preceding year, but the considerable growth which occurred in 1915-16 and 1916-17 has been followed by a set-back in the current year in all provinces except Bombay, Bihar and Orissa and Assam. The decline is largest in Bengal (R22 lakhs) and Madras (R5·50 lakhs). The only material rise in revenue occurs in Bombay (R4·50 lakhs) and is attributed to good conditions in regard to the local industries and to large business transacted in real property. Of the total reduction of R31 lakhs, R11 lakhs are expected in the revenue from court-fee stamps, and R20 lakhs in that derived from non-judicial stamps.

Budget, 1918-19.

26. The Budget for 1918-19 provides for a moderate growth in revenue in all the provinces and is taken at R28·95 lakhs higher than the Revised estimate for 1917-18.

EXPENDITURE.

27. The cost of all stamps and stamp paper supplied from England is charged under this head, and an adjustment is made in India transferring to Posts and Telegraphs the cost of stamps used for postal and telegraph purposes. Similarly the cost of revenue stamps supplied to Local Governments and Administrations is debited to them in the Provincial section of the accounts by *per contra* credit in the Imperial section under this head. The credits on both these accounts are shown against item I (*ii*) under expenditure in the table on the preceding page.

(*a*) *Wholly Imperial* (*including outlay in England*).

Revised, 1917-18.

28. The Revised estimate for 1917-18 exceeds the Budget by R3·43 lakhs. The rise is due to larger outlay in England on the manufacture of stamps and to higher prices of plain paper purchased in India for use with court-fee stamps, partly set off by an increase in the credits mentioned in paragraph 27. The decrease of R·84 lakh in the Budget for 1918-19 as compared with the Revised for the current year occurs almost entirely in the outlay in England on the manufacture of stamps.

Budget, 1918-19.

(*b*) *Divided.*

Revised, 1917-18.

29. The Revised estimate for the current year exceeds the Budget by Rs. 1·86 lakhs owing to a rise in the cost of manufacture of stamped paper supplied to local Governments and to provision being made for packing and freight charges on post cards, the demand for which is now met partly by local manufacture. The Budget estimate for 1918-19 does not differ materially from the Revised for the current year.

Budget, 1918-19.

V AND 7.—EXCISE.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	16,12,055	16,31,925	18,77,477	18,20,000	23,65,000	23,72,000
2. Delhi	2,73,867	2,65,765	2,49,631	2,45,000	3,20,000	3,20,000
3. Baluchistan	2,91,692	2,98,920	3,68,194	3,63,000	4,72,000	4,70,000
4. North-West Frontier	3,54,363	3,53,604	3,58,716	3,35,000	4,23,000	4,70,000
Total	25,31,977	25,50,214	28,54,018	27,63,000	35,80,000	36,32,000
Divided and wholly Provincial.						
1. Madras	3,66,18,734	3,51,18,758	3,72,02,608	3,78,00,000	4,04,21,000	4,16,23,000
2. Bombay	2,20,07,779	2,27,91,330	2,60,50,666	2,56,00,000	3,04,00,000	3,50,00,000
3. Bengal	1,53,74,624	1,51,40,074	1,44,44,229	1,46,00,000	1,55,00,000	1,60,00,000
4. United Provinces	1,24,44,302	1,22,11,130	1,34,11,963	1,36,10,000	1,45,10,000	1,51,00,000
5. Punjab	69,21,307	70,59,656	75,86,836	77,35,000	85,26,000	91,47,000
6. Burma	88,94,133	81,11,370	88,31,324	91,00,000	92,09,000	94,00,000
7. Bihar and Orissa	1,15,93,047	1,09,71,527	1,12,26,696	1,13,00,000	1,20,50,000	1,21,58,000
8. Central Provinces	1,10,55,162	1,00,65,862	1,10,89,102	1,18,16,000	1,15,50,000	1,19,00,000
9. Assam	54,12,099	54,63,211	55,41,053	56,00,000	54,06,000	57,40,000
Total	13,03,21,237	12,69,32,918	13,53,84,477	13,71,61,000	14,75,72,000	15,60,73,000
TOTAL REVENUE R	13,28,53,214	12,94,83,132	13,82,38,495	13,99,24,000	15,11,52,000	15,97,05,000
Equivalent in Sterling £	8,856,881	8,632,209	9,215,899	9,328,200	10,076,800	10,647,000

EXPENDITURE.

Imperial.						
1. India General	98,509	97,701	1,00,849	91,000	1,02,000	1,09,000
2. Delhi	6,283	7,873	9,497	11,000	13,000	12,000
3. Baluchistan	11,644	11,355	12,923	13,000	13,000	30,000
4. North-West Frontier	13,244	15,388	15,548	17,000	16,000	16,000
Total	1,29,680	1,32,317	1,38,817	1,32,000	1,44,000	1,67,000
Divided and wholly Provincial.						
1. Madras	18,33,739	18,52,487	18,16,051	18,56,000	18,15,000	18,42,000
2. Bombay	11,43,213	11,47,633	11,23,723	11,31,000	11,51,000	11,61,000
3. Bengal	7,17,585	7,74,858	9,39,493	9,00,000	10,21,000	10,85,000
4. United Provinces	4,60,053	4,81,865	4,86,016	5,04,000	4,87,000	5,10,000
5. Punjab	2,15,338	2,25,691	2,31,891	2,58,000	2,42,000	2,60,000
6. Burma	12,77,533	12,52,270	12,54,379	12,57,000	12,47,000	12,83,000
7. Bihar and Orissa	5,65,501	5,85,276	5,81,814	6,15,000	6,03,000	6,43,000
8. Central Provinces	4,25,345	4,80,171	4,81,576	5,48,000	5,28,000	5,51,000
9. Assam	1,22,192	1,22,242	1,20,539	1,23,000	1,20,000	2,52,000
Total	67,60,504	69,22,493	70,35,482	71,92,000	72,14,000	75,87,000
Total India R	68,90,184	70,54,810	71,74,299	73,24,000	73,58,000	77,54,000
Equivalent in Sterling £	459,346	470,321	478,287	488,300	490,500	516,900
England £	339	419	345	200	400	200
TOTAL EXPENDITURE £	459,685	470,740	478,632	488,500	490,900	517,100

REVENUE.

(*a*) *Wholly Imperial.*

30. The Revised estimate for 1917-18 exceeds the Budget by ₹8·17 lakhs. The increase occurs mainly in Ajmer, Bangalore and Baluchistan, and is due partly to a rise in duties. The Budget estimate for 1918-19 does not differ materially from the Revised for 1917-18.

Revised, 1917-18.

Budget, 1918-19.

(*b*) *Divided and wholly Provincial.*

31. The favourable agricultural and economic conditions of the current year and the prohibitive prices prevailing for imported liquors have resulted in a considerable expansion of the revenue from Excise, and the Revised estimate is now taken at no less than ₹1,04·11 lakhs more than the Budget. The increase is shared by all the provinces except the Central Provinces and Assam, but is largest in Bombay and Madras. Part of the increase in Bombay arises from the change in the system of sales of country spirit referred to in the following paragraph.

Revised, 1917-18.

32. The fotal Budget for 1918-19 exceeds the Revised estimate for the current year by ₹85·01 lakhs. Nearly half of the increase is expected in Bombay owing to the substitution of triennial auction sales of country spirit for the present system of sales for fixed fees. The estimates allow for a moderate growth of revenue in all the other provinces, and in several of them, for an enhancement in the issue price of opium in consequence of the increased price payable by local Governments for opium obtained for internal consumption—*vide* paragraph 19. A special receipt of ₹1 lakh is also anticipated in Assam from the sale of machinery in the Jorhat distillery.

Budget, 1918-19.

EXPENDITURE.

(*a*) *Wholly Imperial.*

33. The figures show little variation.

(*b*) *Divided and wholly Provincial.*

34. The expenditure in 1917-18 does not differ materially from the Budget. An increased outlay of ₹1·21 lakhs in Bengal mainly on rewards is nearly counterbalanced by minor lapses in grants in several provinces. The Budget estimate for 1918-19 provides for normal charges of sanctioned establishments. Provision has been made for additional expenditure on the reorganisation scheme in Bengal, for revision of excise preventive establishments in the Punjab and for a special payment in Assam (₹1·25 lakhs) on account of compensation to the owners of the distillery at Jorhat. The distillery will be closed from the 1st April 1918, and the contract under which it is worked provides for the plant being taken over by Government; the expenditure on this account will however be nearly set off by the receipt anticipated from the sale of machinery—*vide* paragraph 32.

Revised, 1917-18.

Budget, 1918-19.

VI.—PROVINCIAL RATES.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. India General	310	103	25	1,000	1,000	1,000
2. Delhi	681	...	431	...	...	...
3. North-West Frontier.	2,897	3,715	3,048	1,000	1,000	1,000
TOTAL	3,888	3,818	3,504	2,000	2,000	2,000
Provincial.						
1. Bengal	1,70,453	2,33,853	1,34,841	1,18,000	1,20,000	1,17,000
2. United Provinces	2,27,357	1,63,716	1,64,613	1,66,000	1,72,000	1,56,000
3. Punjab	39,442	31,356	32,314	30,000	34,000	31,000
4. Bihar and Orissa	1,25,559	1,83,487	1,25,009	86,000	88,000	1,14,000
5. Assam	15,512	11,446	10,578	13,000	15,000	18,000
TOTAL	5,78,323	6,23,858	4,67,355	4,13,000	4,29,000	4,36,000
TOTAL REVENUE R	5,82,211	6,27,676	4,70,859	4,15,000	4,31,000	4,38,000
Equivalent in Sterling £	38,814	41,845	31,391	27,600	28,700	29,200

35. The figures show little variation.

VII AND 9—CUSTOMS.

SEA CUSTOMS.	Accounts, 1914-1915. (a)	Accounts, 1915-1916. (a)	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
IMPORTS.						
Special Import Duties.						
1. Arms, Ammunition, and Military Stores	5,35,000	5,69,000	7,31,199	9,34,000	4,77,000	4,50,000
2. Coal, coke, and patent fuel	...	1,000	22,283	16,000	17,000	14,000
3. Liquors—						
(a) Ale, Beer, Porter, Cider and other fermented Liquors	6,73,000	5,66,000	6,72,356	7,00,000	5,00,000	5,00,000
(b) Spirits and Liqueurs	1,10,42,000	1,07,73,000	1,12,85,840	1,09,65,000	1,03,75,000	95,00,000
(c) Wines	4,54,000	4,51,000	5,55,748	6,13,000	4,10,000	4,02,000
4. Opium	5,000	5,000	6,046	6,000	4,000	5,000
5. Petroleum	81,43,000	66,58,000	45,19,141	37,73,000	35,50,000	35,00,000
6. Silver, Bullion and Coin	1,54,51,000	95,57,000	15,01,194	5,00,000	17,30,000	...
7. Silver manufactures	7,000	13,000	3,92,204	3,61,000	2,50,000	1,50,000
8. Sugar	43,98,000	60,60,000	1,30,05,428	1,28,80,000	1,43,00,000	1,50,00,000
9. Tobacco	26,78,000	28,36,000	46,01,391	45,64,000	61,50,000	60,00,000
Duty at 2½ per cent.						
10. Machinery	...	57,000	10,65,988	9,05,000	9,25,000	8,09,000
11. Metals—Iron and Steel	9,70,000	9,04,000	18,47,847	13,43,000	16,80,000	13,50,000
12. Railway plant and rolling stock	...	20,000	3,65,794	3,37,000	1,37,000	1,00,000
13. Other articles	2,000	25,000	3,87,991	3,12,000	4,00,000	4,00,000
Duty at 7½ per cent.						
14. Articles of Food and Drink (excluding sugar and vinegar)	29,18,000	31,76,000	52,00,338	42,82,000	55,00,000	50,00,000
15. Raw materials and articles mainly unmanufactured	23,05,000	24,71,000	38,55,706	32,26,000	39,40,000	33,00,000
16. Articles wholly or mainly manufactured—						
(a) Cutlery, hardware, implements and instruments	25,28,000	24,77,000	40,70,085	31,00,000	36,10,000	35,00,000
(b) Metals other than Iron and Steel	21,07,000	9,16,000	11,62,994	10,93,000	18,30,000	14,05,000
(c) Cotton manufactures	1,53,58,000	1,35,23,000	1,79,16,726	2,85,00,000	4,06,74,000	3,80,00,000
(d) Yarn and textile fabrics (other than cotton manufactures)	20,57,000	23,08,000	61,65,830	56,70,000	52,84,000	52,00,000
(e) All other articles wholly or mainly manufactured	82,50,000	94,38,000	1,69,73,753	1,57,78,000	1,77,85,000	1,75,00,000
17. Miscellaneous	8,00,000	10,51,000	27,18,858	22,18,000	22,00,000	20,00,000
TOTAL IMPORTS	8,0 81,000	7,38,55,000	9,90,22,740	10,21,76,000	12,17,28,000	11,45,85,000
18. EXPORT DUTIES—						
(a) Jute (raw and manufactured)	...	1,74,000	1,17,86,315	1,80,00,000	1,88,14,000	2,10,00,000
(b) Rice	,97,000	76,26,000	86,71,041	85,00,000	1,90,40,000	1,00,00,000
(c) Tea	...	93,000	42,54,462	35,00,000	44,66,000	43,26,000
19. SEA CUSTOMS—MISCELLANEOUS	4,29,000	4,74,000	7,76,783	7,20,000	9,77,000	9,70,000
20. LAND CUSTOMS	5,67,000	5,53,000	5,58,377	5,71,000	7,75,000	2,50,000
21. EXCISE DUTY ON COTTON MANUFACTURES	49,41,000	49,25,000	44,61,448	48,59,000	81,32,000	80,00,000
22. EXCISE DUTY ON MOTOR SPIRIT	...	...	...	22,50,000	27,46,000	27,00,000
23. WAREHOUSE AND WHARF RENTS, AND MISCELLANEOUS	2,93,010	4,08,293	3,56,562	3,46,000	3,85,000	3,85,000
GRAND TOTAL R	9,52,08,010	8,81,08,293	12,98,87,728	14,09,22,000	16,80,63,000	16,22,16,000
Equivalent in Sterling £	6,347,201	5,873,886	8,659,182	9,394,800	11,204,200	10,814,400
CHARGES R	39,54,820	39,30,783	40,62,448	42,87,000	42,20,000	43,93,000
Equivalent in Sterling £	263,655	262,052	270,830	285,800	281,400	292,900
England £	624	212	334	100	200	100
TOTAL £	264,279	262,264	271,164	285,900	281,600	293,000

(a) The actuals for 1914-15 and 1915-16 have, for facility of comparison, been recast in accordance with the revised classification of tariff heads introduced from the year 1916-17. The figures for these years are therefore approximate.

REVENUE.

Revised, 1917-18.

36. The Revised estimate of Customs revenue in 1917-18 amounts to R16,80·63 lakhs or R2,71·41 lakhs more than the Budget estimate. The effect on the import trade of war restrictions and freight difficulties has been more than counterbalanced by the general rise in the level of prices. This cause is responsible for the large receipts under cotton manufactures under which nearly half of the improvement occurs (R1,21·74 lakhs). A strong demand for rice, jute and tea from the United Kingdom and the allied countries results in an enhanced revenue from the export duties. The tariff heads other than cotton manufactures which show important excesses are manufactured articles (R20·07 lakhs), tobacco (R15·86 lakhs), sugar (R14·20 lakhs), silver bullion and coin (R12·30 lakhs), articles of food and drink (R12·18 lakhs), excise duty on cotton manufactures (R32·73 lakhs) and the export duty on rice (R15·40 lakhs).

Budget, 1918-19.

37. The Budget estimate of Customs revenue in 1918-19 is taken at R16,22·16 lakhs, or R58·47 lakhs less than the Revised estimate for 1917-18. There will be a loss of revenue under silver bullion and coin (R17·30 lakhs) owing to the prohibition imposed during the course of 1917-18 on the import of silver into India on private account, but it will be more than set off by an increase under jute (R21·86 lakhs) by reason of the fact that receipts in 1917-18 were affected by the exemption of forward contracts from the enhanced rate of duty introduced in March 1917 and that this will not be the case in the coming year. It is assumed that while scarcity of tonnage and restrictions in regard to imports from particular countries will continue to impede the import trade, the loss of revenue arising from these causes will be set off to some extent by larger imports from other countries and an increase in the yield of our *ad valorem* duties owing to a further rise in prices. Apart from silver bullion and coin, the revenue from the import duties in 1918-19 is accordingly taken at R54·13 lakhs less than the Revised estimate for the current year. Important decreases occur under cotton manufactures (R26·74 lakhs) and spirits and liqueurs (R8·75 lakhs), while an increase of R7 lakhs is expected under sugar owing to the higher tariff valuation which will be in force throughout the coming year; the revenue under the first head has been specially high in the current year and it is not considered safe to assume the same scale of revenue for 1918-19.

EXPENDITURE.

Revised, 1917-18.

Budget, 1918-19.

38. The expenditure in 1917-18 is expected to be less than the Budget by R·65 lakh owing mainly to the non-utilisation of the grant for strengthening the preventive establishment in Bombay. The Budget estimate for 1918-19 includes lump grants for a general revision of the customs establishment in Karachi and for strengthening the preventive establishment in Bombay and Karachi and a larger provision for overtime allowances in Calcutta.

VIII AND 10.—INCOME TAX.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
SUPER-TAX.						
Imperial.						
1. India	...	...	...	50,000	34,000	25,000
2. Madras	...	...	...	10,00,000	10,00,000	10,00,000
3. Bombay	...	...	...	66,00,000	42,00,000	92,56,000
4. Bengal	...	...	...	1,07,00,000	1,25,00,000	85,00,000
5. United Provinces	...	...	...	5,00,000	3,95,000	5,70,000
6. Punjab	...	...	...	1,00,000	1,00,000	1,50,000
7. Burma	...	...	...	3,00,000	3,00,000	3,00,000
8. Bihar and Orissa	...	...	...	3,00,000	1,52,000	1,52,000
9. Central Provinces	...	...	...	2,00,000	81,000	83,000
10. Assam	...	...	...	...	1,22,000	1,22,000
TOTAL	...	...	...	2,02,50,000	1,88,34,000	2,01,58,000
ORDINARY INCOME-TAX.						
Imperial.						
1. India General (Civil)	9,38,178	9,36,151	19,31,136	18,73,000	21,37,000	21,79,000
2. Delhi (Civil)	2,57,998	1,61,778	4,31,995	3,05,000	4,78,000	4,77,000
3. Baluchistan (Civil)	22,019	21,330	35,214	34,000	35,000	34,000
4. North-West Frontier (Civil)	1,66,139	1,71,418	2,60,447	2,56,000	2,95,000	3,00,000
5. Other Provinces (Civil)	31,948	18,789	93,189	1,00,000	1,19,000	1,25,000
6. Non-Civil Departments	14,91,447	14,39,064	22,49,963	21,09,000	28,11,000	28,71,000
Total	29,07,729	27,49,030	50,01,944	46,77,000	58,75,000	59,86,000
Divided.						
1. Madras	40,28,350	40,74,656	60,09,144	60,00,000	75,96,000	75,00,000
2. Bombay	68,68,409	73,32,639	1,39,95,113	1,35,00,000	2,04,00,000	2,20,00,000
3. Bengal	69,84,610	72,26,611	1,68,55,428	1,80,00,000	2,11,00,000	2,15,00,000
4. United Provinces	26,36,028	28,01,166	42,44,881	41,80,000	47,54,000	48,74,000
5. Punjab	17,88,307	18,55,709	24,61,856	25,80,000	33,44,000	35,00,000
6. Burma	25,46,145	24,75,430	40,05,618	38,25,000	46,32,000	46,25,000
7. Bihar and Orissa	14,24,225	14,28,417	20,21,417	19,30,000	22,00,000	23,50,000
8. Central Provinces	9,08,909	9,47,825	13,20,815	13,48,000	15,75,000	17,06,000
9. Assam	4,58,287	4,60,160	6,78,282	6,50,000	7,77,000	8,00,000
Total	2,76,43,270	2,86,02,613	5,15,92,554	5,20,13,000	6,63,78,000	6,88,55,000
TOTAL REVENUE R	3,05,50,999	3,13,51,643	5,65,94,498	7,69,40,000	9,11,37,000	9,49,99,000
Equivalent in Sterling £	2,036,733	2,090,109	3,772,967	5,129,300	6,075,800	6,333,200

EXPENDITURE.

Imperial.						
1. India General	1,320	1,244	1,303	2,000	2,000	2,000
2. Delhi	1,413	1,466	2,106	3,000	3,000	3,000
3. North-West Frontier	916	955	903	1,000	1,000	4,000
4. Bengal	...	...	...	...	8,000	10,000
Total	3,649	3,665	4,312	6,000	14,000	19,000
Divided.						
1. Madras	41,221	60,561	66,159	68,000	68,000	68,000
2. Bombay	1,65,847	1,71,853	1,79,298	2,09,000	2,09,000	2,45,000
3. Bengal	1,54,085	1,52,964	1,62,754	1,69,000	1,75,000	1,78,000
4. United Provinces	291	413	62	...	...	20,000
5. Punjab	12,614	12,423	26,587	29,000	31,000	82,000
6. Burma	46,554	47,732	49,125	49,000	56,000	68,000
7. Bihar and Orissa	44,824	45,996	45,459	46,000	46,000	46,000
8. Central Provinces	15,488	16,253	18,235	38,000	30,000	42,000
9. Assam	4,821	4,522	4,689	5,000	5,000	5,000
Total	4,85,745	5,12,717	5,52,368	6,11,000	6,20,000	7,54,000
TOTAL EXPENDITURE R	4,89,394	5,16,382	5,56,680	6,17,000	6,34,000	7,73,000
Equivalent in Sterling £	32,626	34,426	37,112	41,100	42,300	51,500

REVENUE.

(*i*) *Super-tax—Imperial.*

Revised, 1917-18. 39. It is anticipated that a portion of the collections in Bombay in respect of 1917-18 will be thrown forward into the following year, but in spite of this the Revised estimate for the current year falls short of the Budget by only *Budget, 1918-19.* R13·66 lakhs. The Budget estimate for 1918-19 exceeds the Revised for the current year by R12·74 lakhs. A large increase of R50·56 lakhs is expected in Bombay owing partly to the recovery of outstandings in respect of the current year's demand, but this will be largely counterbalanced by a falling off in Bengal.

(*ii*) *Ordinary income-tax.*

(*a*) *Imperial.*

Revised, 1917-18. 40. The Revised estimate for the current year exceeds the Budget by R11·98 lakhs. The increase arises from very favourable trade conditions and the employment of additional establishments by Government for work arising *Budget, 1918-19.* out of the war, mainly in the Military Department. The Budget estimate for 1918-19 does not differ materially from the Revised for the current year.

(*b*) *Divided.*

Revised, 1917-18. 41. The Revised estimate for 1917-18 is more than the Budget by R1,43·65 lakhs. The bulk of the increase is expected in Bombay (R69 lakhs), Bengal (R31 lakhs) and Madras (R15·96 lakhs), and arises from abnormal profits which have been realised in certain trades as the result of war conditions. Part of the excess in Madras represents collections of arrears. There will be minor increases of revenue in all the other provinces.

Budget, 1918-19. 42. The Budget estimate for 1918-19 is taken at R24·77 lakhs more than the Revised for 1917-18. Of this increase, R16 lakhs are expected to accrue in Bombay as a result of the continuance of the prosperity of local industries. Provision has been made for a moderate growth in revenue in the other provinces, with the exception of Madras and Burma.

EXPENDITURE.

(*a*) *Imperial.*

43. The figures show little variation. The expenditure shown against Bengal relates to temporary establishment for the collection of super-tax.

(*b*) *Divided.*

Revised, 1917-18. 44. The expenditure in the current year is not expected to differ mate-*Budget, 1918-19.* rially from the Budget grant. The Budget estimate for 1918-19 includes provision for revision of establishments in several provinces, mainly in the Punjab and Bombay.

IX AND 11.—FOREST.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General .	5,90,319	9,37,836	11,91,042	10,32,000	11,64,000	11,67,000
2. Baluchistan . .	19,058	21,633	18,277	21,000	19,000	22,000
3. North-West Frontier	2,38,013	1,86,815	2,40,985	2,42,000	3,29,000	3,75,000
Total .	8,47,390	11,46,284	14,50,304	12,95,000	15,12,000	15,64,000
Provincial.						
1. Madras . . .	39,41,537	41,06,838	45,96,126	42,00,000	53,45,000	48,45,000
2. Bombay . . .	46,80,242	47,01,263	55,19,177	52,30,000	63,37,000	65,00,000
3. Bengal . . .	13,04,496	11,45,610	13,38,779	13,00,000	15,00,000	16,00,000
4. United Provinces .	31,35,235	37,38,831	50,40,932	43,85,000	57,00,000	61,00,000
5. Punjab . . .	14,38,005	17,27,283	16,87,800	15,74,000	19,74,000	22,58,000
6. Burma . . .	97,07,694	96,99,217	1,23,79,531	1,10,30,000	1,20,00,000	1,19,00,000
7. Bihar and Orissa .	5,49,779	5,17,727	5,29,081	5,60,000	6,70,000	6,50,000
8. Central Provinces .	32,72,529	32,78,262	33,71,578	33,60,000	34,35,000	36,00,000
9. Assam . . .	8,32,877	10,55,052	11,48,622	10,66,000	12,48,000	12,47,000
Total .	2,88,62,394	2,99,70,083	3,56,11,626	3,27,05,000	3,82,09,000	3,87,00,000
TOTAL INDIA R	2,97,09,784	3,11,16,367	3,70,61,930	3,40,00,000	3,97,21,000	4,02,64,000
Equivalent in Sterling £	1,980,652	2,074,425	2,470,795	2,266,700	2,648,100	2,684,300

EXPENDITURE.

Imperial.						
1. India General . .	9,28,367	10,69,300	10,71,931	12,66,000	10,52,000	12,69,000
2. Delhi . . .	177	...	...	...	...	...
3. Baluchistan . .	26,000	27,995	26,929	30,000	28,000	32,000
4. North-West Frontier	1,25,593	1,04,795	1,18,070	1,41,000	1,55,000	1,74,000
Total .	10,80,137	12,02,090	12,16,930	14,37,000	12,35,000	14,75,000
Provincial.						
1. Madras . . .	28,60,685	29,27,318	28,42,678	29,63,000	29,48,000	30,17,000
2. Bombay . . .	24,87,925	26,42,038	25,64,682	29,46,000	33,95,000	36,88,000
3. Bengal . . .	6,70,935	5,93,635	6,19,649	6,52,000	7,30,000	7,50,000
4. United Provinces .	23,17,740	25,63,307	27,35,915	30,79,000	31,84,000	36,18,000
5. Punjab . . .	8,89,302	9,23,879	9,34,662	11,34,000	10,99,000	15,72,000
6. Burma . . .	46,80,447	48,86,242	49,36,588	52,28,000	53,81,000	54,22,000
7. Bihar and Orissa .	3,84,371	3,61,550	4,47,972	4,33,000	4,09,000	4,34,000
8. Central Provinces .	19,36,569	17,34,336	17,68,775	19,26,000	18,66,000	19,25,000
9. Assam . . .	8,98,339	7,55,214	6,76,033	7,15,000	7,41,000	7,29,000
Total .	1,71,26,313	1,73,90,519	1,75,26,954	1,90,76,000	1,97,53,000	2,11,55,000
TOTAL INDIA R	1,32,06,450	1,85,92,609	1,87,43,884	2,05,13,000	2,09,88,000	2,26,30,000
Equivalent in Sterling £	1,213,763	1,239,507	1,249,592	1,367,500	1,399,200	1,508,700
England . . £	4,045	3,360	2,173	1,600	600	2,500
TOTAL EXPENDITURE £	1,217,808	1,242,867	1,251,765	1,369,100	1,399,800	1,511,200
NET REVENUE £	762,844	831,558	1,219,030	897,600	1,248,300	1,173,100

REVENUE.

(*a*) *Imperial.*

Revised, 1917-18. 45. The increase of R2·17 lakhs in the revenue in the current year as compared with the Budget estimate occurs mainly in Port Blair (R1·76 lakhs), due to better prices realised for timber, and in the North-West Frontier Province (R·87 lakh) owing to the supply of various articles of forest produce to the Military Department and the Indian Munitions Board. The Budget for 1918-19 anticipates a rise of R·52 lakh, mainly in the North-West Frontier Province, over the receipts obtained in the current year.

Budget, 1918-19.

(*b*) *Provincial.*

Revised, 1917-18. 46. The Revised estimate for 1917-18 is more than the Budget by R55·04 lakhs. All the provinces contribute to the improvement, but it is largest in the United Provinces (R13·15 lakhs), Madras (R11·45 lakhs), Bombay (R11·07 lakhs) and Burma (R9·70 lakhs). The rise is due to increased demands for timber, resin, turpentine, tanning bark and other forest produce, mainly from the Military Department, the Munitions Board and Railways, and to the higher prices that have been realised.

Budget, 1918-19. 47. The Budget estimate for 1918-19 is R4·91 lakhs more than the Revised for the current year. Provision has been made for increased receipts in the United Provinces from the superior quality of resin which will be manufactured at a newly opened factory, for anticipated supplies to the Munitions Board, mainly in Bengal, the United Provinces and the Punjab, for a decline in Madras as compared with the high revenue obtained in the current year, and for normal receipts in the other provinces.

EXPENDITURE.

(*a*) *Imperial* (*including outlay in England*).

Revised, 1917-18. 48. The decrease of R2·17 lakhs in the Revised estimate for the current year as compared with the Budget is due to a lapse in the grant for the extension of departmental working in Port Blair. The Budget for 1918-19 exceeds the Revised estimate for 1917-18 by R2·69 lakhs. The grant for departmental working in Port Blair has been repeated for the next year, and provision made for some increase in ordinary expenditure.

Budget, 1918-19.

(*b*) *Provincial.*

Revised, 1917-18. 49. The Revised estimate for 1917-18 is more than the Budget by R6·77 lakhs. The excess occurs in Bombay (R4·49 lakhs), Burma (R1·53 lakhs), the United Provinces (R1·05 lakhs) and Bengal (R·78 lakh) and is partly set off by minor savings in the other provinces except Assam. The increase in Bombay is mainly due to the construction of a forest railway, while the growth in expenditure in the other provinces is a concomitant of the larger revenue obtained from the sale of forest produce.

Budget, 1918-19. 50. The total Budget estimate for 1918-19 exceeds the Revised for the current year by R14·02 lakhs. The bulk of the increase occurs in the Punjab (R4·73 lakhs), the United Provinces (R4·34 lakhs) and Bombay (R2·93 lakhs). Provision has been made for various measures of development in view of the growing demands for forest produce. Grants have been allotted, among other objects, in Bombay for the construction of a railway line and for additional staff including a Chief Conservator and a Forest Engineer; in the Punjab for the purchase of a tramway and motor lorries and for an additional Conservator; and in the United Provinces for enhanced outlay on resin operations. There will also be minor increases in the other provinces except Assam, where the grant for the next year is taken at about the same amount as the probable expenditure in 1917-18.

X AND 12.—REGISTRATION.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. India General . .	21,238	19,714	19,611	20,000	21,000	22,000
2. Delhi . . .	23,012	22,342	23,701	24,000	27,000	27,000
3. Baluchistan . .	3,072	3,188	3,207	3,000	4,000	3,000
4. North-West Frontier	44,404	46,243	49,307	45,000	52,000	50,000
Total .	91,726	91,487	95,826	92,000	1,04,000	1,02,000
Provincial.						
1. Madras . . .	22,43,183	23,37,549	24,70,160	26,00,000	24,90,000	25,50,000
2. Bombay . . .	7,53,619	7,95,528	8,37,457	8,50,000	9,10,000	9,30,000
3. Bengal . . .	18,12,868	20,36,068	21,48,927	22,00,000	19,60,000	19,60,000
4. United Provinces .	6,87,167	7,33,642	7,31,341	7,40,000	7,50,000	7,60,000
5. Punjab . . .	3,52,872	3,55,564	3,71,489	3,58,000	3,83,000	3,84,000
6. Burma . . .	2,31,049	2,49,935	2,48,754	2,50,000	1,90,000	2,20,000
7. Bihar and Orissa .	6,46,731	6,96,048	6,80,909	6,70,000	6,90,000	7,00,000
8. Central Provinces .	3,47,873	3,74,251	4,20,903	4,44,000	4,20,000	4,24,000
9. Assam . . .	1,12,335	1,13,115	1,02,962	1,10,000	1,04,000	1,09,000
Total .	71,87,697	76,91,700	80,12,902	82,22,000	78,97,000	80,37,000
TOTAL INDIA ₹ .	72,79,423	77,83,187	81,08,728	83,14,000	80,01,000	81,39,000
Equivalent in Sterling £	485,295	518,879	540,581	554,300	533,400	542,600

EXPENDITURE.

Imperial.						
1. India General . .	8,090	7,393	7,162	8,000	7,000	8,000
2. Delhi . . .	6,930	7,111	7,523	7,000	8,000	7,000
3. Baluchistan . .	1,358	1,434	1,536	1,000	2,000	1,000
4. North-West Frontier	12,124	12,374	12,066	13,000	13,000	13,000
Total .	28,502	28,312	28,287	29,000	30,000	29,000
Provincial.						
1. Madras . . .	12,73,585	12,56,016	13,12,239	13,39,000	13,41,000	13,53,000
2. Bombay . . .	3,70,772	3,71,933	3,71,704	3,78,000	3,88,000	3,97,000
3. Bengal . . .	11,17,210	11,27,328	11,34,770	11,36,000	11,60,000	11,57,000
4. United Provinces .	2,93,128	3,11,322	3,02,871	3,08,000	3,04,000	3,07,000
5. Punjab . . .	1,22,006	1,26,149	1,24,682	1,30,000	1,25,000	1,30,000
6. Burma . . .	1,05,981	1,08,725	1,08,007	1,06,000	1,06,000	1,05,000
7. Bihar and Orissa .	3,65,689	3,78,240	3,79,001	3,93,000	3,74,000	3,94,000
8. Central Provinces .	1,28,308	1,24,536	1,27,554	1,58,000	1,60,000	1,60,000
9. Assam . . .	64,513	65,051	67,906	72,000	70,000	75,000
Total .	38,41,192	38,69,300	39,28,134	40,20,000	40,28,000	40,78,000
TOTAL INDIA ₹ .	38,69,694	38,97,612	39,56,421	40,49,000	40,58,000	41,07,000
Equivalent in Sterling £	257,980	259,840	263,761	269,900	270,500	273,800

REVENUE.

Imperial.

51. The figures show little variation.

Provincial.

Revised, 1917-18.

52. The total Revised estimate for 1917-18 is R3·25 lakhs less than the Budget forecast. There has been a check to the growth in the fees for the registration of documents in Bengal (R2·50 lakhs) and Madras (R1·13 lakhs).

Budget, 1918-19.

The estimates for 1918-19 are generally based on the revenue expected to be realised in the current year. The total Budget exceeds the Revised by R1·40 lakhs, owing mainly to provision for some recovery in Madras.

EXPENDITURE.

53. The figures show little variation.

XI.—TRIBUTES.

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. India General .	18,81,572	19,92,599	19,47,897	20,09,000	20,12,000	20,04,000
2. Madras . .	44,96,519	44,96,520	44,96,519	44,97,000	44,97,000	44,97,000
3. Bombay . .	14,01,838	12,88,860	13,94,235	13,89,000	13,87,000	13,58,000
4. Bengal . .	67,701	67,701	67,701	68,000	68,000	68,000
5. United Provinces .	3,21,000	3,21,000	3,21,000	3,21,000	3,21,000	3,21,000
6. Punjab . . .	1,43,824	1,44,754	1,46,453	1,44,000	1,44,000	1,44,000
7. Burma . . .	4,53,150	4,57,706	4,48,099	4,52,000	4,52,000	4,52,000
8. Bihar and Orissa .	85,500	85,499	85,499	86,000	86,000	86,000
9. Central Provinces .	2,46,187	2,32,187	2,28,937	2,39,000	2,49,000	2,39,000
10. Assam . . .	50,100	50,100	50,100	50,000	50,000	50,000
TOTAL INDIA R .	91,47,391	91,36,926	91,86,440	92,55,000	92,66,000	92,19,000
Equivalent in Sterling £	609,827	609,128	612,429	617,000	617,800	614,600

54. The revenue recorded under this head represents tributes received from the protected States, in several cases as a result of exchanges of territory and settlement of claims, and contributions made chiefly in lieu of former obligation to supply or maintain troops. The figures do not ordinarily show any important fluctuations from year to year except for advance payment of sums falling due in the ensuing year, or arrears and their recovery. The variations between the Budget and Revised estimates for the current year and between the latter and the Budget for 1918-19 are unimportant.

1.—REFUNDS AND DRAWBACKS.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General . .	67,324	1,06,922	65,522	78,000	2,32,000	94,000
2. Delhi . . .	12,696	5,455	10,613	11,000	16,000	11,000
3. Baluchistan . .	4,601	3,208	1,804	5,000	4,000	3,000
4. North-West Frontier	19,080	22,423	27,503	27,000	23,000	26,000
5. Other Provinces .	30,82,960	24,11,368	41,22,695	35,04,000	50,26,000	44,48,000
Total .	31,86,661	25,49,376	42,28,137	36,25,000	53,01,000	45,82,000
Divided and Provincial.						
1. Madras . . .	4,54,807	4,44,531	4,76,011	6,25,000	5,08,000	5,31,000
2. Bombay . . .	11,31,185	9,22,310	9,86,435	9,55,000	11,90,000	11,75,000
3. Bengal . . .	3,34,233	2,94,526	4,36,318	2,82,000	3,90,000	3,59,000
4. United Provinces .	2,78,336	2,48,117	2,84,472	2,90,000	2,76,000	3,14,000
5. Punjab . . .	1,97,841	1,70,118	2,04,669	1,81,000	2,42,000	1,89,000
6. Burma . . .	2,62,698	2,72,554	3,39,326	2,74,000	3,37,000	3,47,000
7. Bihar and Orissa .	1,03,961	93,726	1,07,940	96,000	1,00,000	1,13,000
8. Central Provinces .	1,01,829	1,22,115	75,211	85,000	90,000	90,000
9. Assam . . .	71,049	49,315	41,953	41,000	52,000	50,000
Total .	29,35,939	26,17,312	29,52,335	28,29,000	31,85,000	31,68,000
TOTAL INDIA R	61,22,600	51,66,688	71,80,472	64,54,000	84,86,000	77,50,000
Equivalent in Sterling £	408,173	344,446	478,698	430,300	565,700	516,700

(*a*) *Imperial.*

55. The wholly Imperial expenditure shown against "Other Provinces" represents refunds and drawbacks in respect of wholly Imperial revenue (*e.g.* Opium, Salt, Super-tax, Customs and Tributes). The bulk of the increase

Revised, 1917-18. of R16·76 lakhs in the Revised estimate over the Budget for 1917-18 occurs under Customs refunds and is due to drawback allowed in Bombay on imports of sugar and other articles purchased by the Military authorities for shipment overseas, and to the refund of duty on exports of jute in Bengal in connection with the exemption of back commitments from the enhanced duty introduced from March 1917. There was also a special income-tax refund of R·92 lakh to the Hyderabad State in connection with the conversion of Government securities held by it into the special form of notes mentioned in Article 214-A

Budget, 1918-19. of the Civil Account Code. The Budget estimate for 1918-19 provides for some decrease in the refunds of Customs revenue and is R7·19 lakhs less than the Revised for the current year.

(*b*) *Divided and Provincial.*

Revised, 1917-18. 56. The expenditure fluctuates considerably from year to year and is difficult to estimate. In 1917-18, the Budget will be exceeded by R3·56 lakhs

Budget, 1918-19. owing chiefly to higher refunds of excise and land revenue in several provinces. The Budget estimate for 1918-19 follows generally the Revised for the current year.

2.—ASSIGNMENTS AND COMPENSATIONS.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	32,33,328	33,38,765	32,18,487	32,61,000	36,41,000	39,38,000
2. Delhi	10,452	4,423	5,188	5,000	5,000	5,000
3. Baluchistan	2,04,716	2,01,888	2,01,745	2,02,000	2,02,000	2,02,000
4. North-West Frontier	18,212	17,769	17,842	18,000	18,000	18,000
5. Other Provinces	35,39,025	35,51,743	35,45,856	35,58,000	35,77,000	35,74,000
Total	70,05,733	71,14,588	69,89,118	70,44,000	74,43,000	77,37,000
Divided and Provincial.						
1. Madras	5,55,118	6,19,472	5,95,418	6,00,000	5,90,000	6,10,000
2. Bombay	1,05,67,450	1,08,82,022	1,05,20,212	1,08,20,000	1,08,24,000	1,07,94,000
3. Bengal	68,546	60,060	1,09,389	70,000	1,48,000	1,89,000
4. United Provinces	3,02,875	2,98,524	3,06,022	3,06,000	3,12,000	3,03,000
5. Punjab	73,646	65,902	66,880	77,000	67,000	71,000
6. Burma	400	400	200	1,000	1,000	1,000
7. Bihar and Orissa	1,07,905	1,01,041	98,974	1,05,000	1,01,000	1,01,000
8. Central Provinces	38,675	36,011	34,813	34,000	34,000	32,000
9. Assam	34,040	35,039	34,331	35,000	35,000	37,000
Total	1,17,48,655	1,20,98,471	1,17,66,239	1,20,48,000	1,21,12,000	1,21,38,000
TOTAL INDIA	1,87,54,388	1,92,13,059	1,87,55,357	1,90,92,000	1,95,55,000	1,98,75,000
Equivalent in Sterling £	1,250,292	1,280,870	1,250,357	1,272,800	1,303,700	1,325,000

(*a*) *Imperial.*

57. The wholly Imperial expenditure shown against "Other Provinces" represents Opium, Salt and Customs compensations paid to Native States and Foreign Governments, as well as Miscellaneous compensations (*i.e.*, those of a general character and not intended to indemnify against loss of a particular kind of revenue) in provinces other than Bombay. The variations between the Budget and Revised estimates of the current year and between the latter and the Budget of next year are generally due to the fact that the salt royalty payable to Jaipur and Jodhpur and the customs compensation payable to Travancore and Cochin fluctuate respectively with reference to the actual sales of salt and the actual realisations of customs revenue. Provision has been made in the Revised estimate for the current year for a payment of R·27 lakh to the Sirohi Durbar for the lease of the Abu area.

(*b*) *Divided and Provincial.*

58. The Revised estimate for 1917-18 exceeds the Budget by R·64 lakh owing mainly to arrear payments in Bengal. The Budget estimate for 1918-19 does not differ materially from the Revised for the current year. Provision has been made in Bengal for a payment of R·81 lakh to the Bhutan Durbar on account of compensation for the removal of liquor shops, but this is partly set off by omission of the arrear payments included in the Revised.

Revised, 1917-18.
Budget, 1918-19.

XII.—INTEREST RECEIPTS.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. Interest on Imperial loans and advances . .	34,25,626	34,33,525	34,21,667	34,21,000	34,35,000	34,66,000
2. Profits of Paper Currency Circulation . .	34,70,420	34,70,420	34,70,420	34,70,000	34,70,000	34,70,000
3. Interest on overdrawn Capital of Railway Companies in India .	4,66,914	5,62,490	5,67,643	6,51,000	6,03,000	6,46,000
4. Interest charged to Capital on advances to Railway Companies .	66,523	39,990	9,553	11,000	10,000	11,000
5. Interest on Securities of Railway Companies' Provident Funds . .	...	...	...	20,00,000	10,00,000	16,00,000
6. Miscellaneous items .	3,50,620	3,55,844	3,24,001	3,00,000	6,59,000	3,41,000
TOTAL R	77,80,103	79,12,269	77,93,284	98,53,000	91,77,000	*95,34,000
Provincial.						
1. Madras . . .	4,42,929	4,52,295	4,82,547	4,86,000	4,75,000	5,00,000
2. Bombay . . .	15,26,317	12,43,788	12,62,716	10,45,000	11,68,000	10,07,000
3. Bengal . .	4,14,486	4,63,551	6,49,042	5,88,000	6,05,000	5,55,000
4. United Provinces .	16,58,397	23,94,286	17,78,373	14,58,000	15,21,000	13,24,000
5. Punjab . . .	2,24,646	2,45,866	2,77,185	2,44,000	2,55,000	2,48,000
6. Burma . . .	1,30,615	1,71,053	1,64,513	1,79,000	1,96,000	2,15,000
7. Bihar and Orissa .	1,82,380	1,87,067	1,75,750	2,10,000	1,94,000	2,08,000
8. Central Provinces .	1,90,902	2,70,937	2,76,390	2,05,000	2,20,000	1,92,000
9. Assam . . .	66,896	43,885	58,893	2,00,000	93,000	2,12,000
TOTAL R	48,37,568	54,72,728	51,25,409	46,15,000	46,67,000	44,61,000
TOTAL INDIA R	1,26,17,671	1,33,84,997	1,29,18,693	1,44,68,000	1,38,44,000	1,39,95,000
Equivalent in Sterling £	841,178	892,333	861,246	964,500	922,900	933,000
ENGLAND.						
1. Profits of Paper Currency Circulation . . .	78,211	78,211	399,152	1,157,300	1,429,400	1,504,600
Deduct: transfer to the Paper Currency Reserve Depreciation Fund . . .	...	...	*399,080*	*200,000*	*450,000*	...
Net profits of Paper Currency circulation .	78,211	78,211	72	957,300	979,400	1,504,600
2. Interest realised from investment of Cash Balances etc.	79,969	93,458	213,929			
3. Interest on advances to the Imperial Bank of Persia for the purpose of the Persian Government . .	23,656	31,349	24,591	172,100	309,000	260,000
4. Interest on investment in Special Reserve	...	...	...	...	...	855,000
5. Miscellaneous . .	293	1,066	36,666	1,800	34,000	...
TOTAL £	182,129	204,084	275,258	1,131,200	1,322,400	2,619,600
TOTAL RECEIPTS £	1,023,307	1,096,417	1,136,504	2,095,700	2,245,300	3,552,600
Loans and advances outstanding on 31st March:—						
1. Imperial . £	6,037,605	5,939,789	5,934,988	6,093,389	5,945,988	6,002,988
2. Provincial . £	7,025,402	6,711,720	6,120,555	5,890,320	5,516,255	5,390,955

(*a*) *India—Imperial.*

59. The Revised estimate for 1917-18 is less than the Budget by R6·76 lakhs. There is a decrease of R10 lakhs in the interest on the securities of Railway companies' provident funds recently taken over by Government, as a portion of the interest on investments was realised by some of the companies before the date of actual transfer. On the other hand, a special receipt of R3·75 lakhs is anticipated under Miscellaneous items, made up of (1) the difference between the discounted value at which British Treasury Bills were accepted as subscription to the Indian war loan in England and the value realised on their maturity and (2) the interest realised on the accumulated balance of the Trust Fund recently constituted for the pensions payable to the Surat Nawab's family. *Revised, 1917-18.*

60. The total Budget for 1918-19 is taken at R3·57 lakhs more than the Revised for the current year. Provision has been made for a full year's interest on securities taken over from provident funds of Railway companies, and the special receipt in the current year in connection with the tender of Treasury Bills as subscription to the war loan has been eliminated. *Budget, 1918-19.*

(*b*) *India—Provincial.*

61. The Revised estimate for 1917-18 is R·52 lakh more than the Budget for the current year. Increased recoveries in Bombay and the United Provinces in respect of agricultural loans granted in previous years will be partly set off by a decline in Assam, where it has been necessary to postpone recoveries in respect of loans granted in the last two years in connection with agricultural distress caused by floods. The Budget estimate for 1918-19 provides for an increase of R1·19 lakhs in Assam for the reason just stated and elsewhere for normal recoveries based on the current demand. *Revised, 1917-18.* *Budget, 1918-19.*

(*c*) *England.*

62. The gross interest receipts in England in 1917-18 are likely to exceed the Budget estimate by £441,200 owing to increased investments on behalf of the Paper Currency Reserve and to a rise in the interest realised from investment of the cash balances of the Home treasury, which have been larger than was anticipated in the Budget. Part of the increased receipts (£250,000) will however be utilised for raising the appropriation for the Paper Currency Reserve Depreciation Fund (*vide* paragraph 72 of the memorandum explaining the details of the estimates for 1917-18) from £200,000, the provision included in the Budget, to £450,000. It is estimated that with this appropriation the fund will be brought up to the full amount required for making up the deficiency in the present value of the consols held in the Paper Currency Reserve as compared with their purchase price. Allowing for this expenditure, the net receipts in the current year will exceed the Budget by £191,200. *Revised, 1917-18.*

63. The interest receipts are taken in the Budget estimate for 1918-19 at £2,619,600 or £1,297,200 more than in the Revised for the current year. The Budget includes a receipt of £855,000 in respect of the special reserve of £20 million which it has been decided to constitute in the current year by investment in Treasury Bills or other short-term securities of the British Government. The balance of the increase is due to the omission of the appropriation to the Paper Currency Reserve Depreciation Fund included in the Revised estimate and interest on further investments which it is proposed to make in the ensuing year on behalf of the Paper Currency Reserve, partly set off by a smaller provision for interest on the investment of the cash balances of the Home treasury. *Budget, 1918-19.*

13 AND 14.—INTEREST EXPENDITURE.

		Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Interest on Debt other than that charged to Railways and Irrigation Works—							
Interest on total Debt—							
1. India	₹	5,54,05,204	5,70,46,941	5,66,67,195	6,63,40,000	9,43,00,000	10,61,00,000
	£	3,693,680	3,803,130	3,777,813	4,422,700	6,286,700	7,073,300
2. England	£	6,077,903	6,182,399	5,846,832	11,155,800	9,938,800	9,196,200
Total		9,771,583	9,985,529	9,624,645	15,578,500	16,225,500	16,269,500
Deduct amounts charged to—							
(*a*) Railways:							
(*i*) India	₹	*6,30,88,705*	*6,42,62,141*	*6,20,88,181*	*6,62,00,000*	*6,34,16,000*	*6,51,65,000*
	£	*4,205,914*	*4,284,143*	*4,139,212*	*4,413,300*	*4,227,800*	*4,344,300*
(*ii*) England	£	*3,706,300*	*3,738,480*	*3,620,110*	*3,719,400*	*3,600,000*	*3,588,600*
Total Railways	£	*7,912,214*	*8,022,623*	*7,759,322*	*8,132,700*	*7,827,800*	*7,932,900*
(*b*) Irrigation:							
(*i*) India	₹	*1,92,62,258*	*1,98,60,762*	*1,93,89,288*	*2,09,64,000*	*1,98,08,000*	*2,02,24,000*
	£	*1,284,150*	*1,324,051*	*1,292,620*	*1,397,600*	*1,320,500*	*1,348,300*
(*ii*) England	£	*125,379*	*127,299*	*120,585*	*128,600*	*120,800*	*121,000*
Total Irrigation	£	*1,409,529*	*1,451,350*	*1,413,205*	*1,526,200*	*1,441,300*	*1,469,300*
Total deduction	£	*9,321,743*	*9,473,973*	*9,172,527*	*9,658,900*	*9,269,100*	*9,402,200*
Interest on Ordinary Debt	£	449,840	511,556	452,118	5,919,600	6,956,400	6,867,300
Distribution of above—							
Imperial	£	210,219	271,214	229,306	5,702,100	6,743,500	6,659,100
Provincial	£	239,621	240,342	222,812	217,500	212,900	208,200
Interest on other Obligations—							
On Savings Bank Balances converted at ₹15=£1	£	525,444	473,085	513,795	708,100	638,100	679,500
Other items	£	215,973	205,723	208,951	205,100	203,000	237,500
TOTAL	£	741,417	678,808	722,746	913,200	841,100	917,000
GRAND TOTAL	£	1,191,257	1,190,364	1,174,864	6,832,800	7,797,500	7,784,300
Debt outstanding on 31st March—		£	£	£	£	£	£
Sterling		183,190,358	182,171,829	174,144,724	174,171,829*	238,505,524	218,005,524
Rupee Debt—		₹	₹	₹	₹	₹	₹
New Loan		...	...	...	...	...	30,00,00,000
5½ per cent.		...	...	4,91,67,255	...	31,75,34,255	31,75,34,255
5 per cent.		...	...	1,10,51,523	15,00,00,000	27,09,65,523	26,35,65,523
4 per cent.		3,19,00,000	8,18,86,000	21,46,54,000	21,36,73,000	16,10,77,000	15,98,77,000
3½ per cent.		1,38,12,21,400	1,38,50,89,600	1,32,02,13,950	1,32,06,29,600	1,18,90,98,950	1,18,94,58,950
3 per cent.		8,20,59,500	7,75,47,200	7,26,69,400	7,19,17,200	6,61,93,400	6,57,73,400
Treasury Bills		...	...	...	...	43,00,00,000	43,00,00,000
Temporary loans		11,00,00,000	6,50,00,000	50,00,000	...	4,00,00,000	...
Other Debt		1,00,84,300	1,00,74,900	1,00,14,200	1,00,13,900	1,00,14,200	1,00,14,200
Savings Bank Balances		21,84,66,176	23,13,00,699	25,25,68,358	28,37,06,699	30,61,37,358	32,35,23,358

* Exclusive of War debt of the Home Government to be taken over by India during the year 1917-18.

Interest on ordinary debt.

64. The expenditure in 1917-18 on account of interest payable on the public debt as a whole will exceed the Budget estimate by R97·05 lakhs (£647,000). The increase represents mainly the discount (R90 lakhs= £600,000) on Treasury Bills, the issue of which commenced in India on the 16th October last. The total sales of these Bills during the current year are expected to amount to R43 crores (£28⅔ million); as in the case of the ordinary loans raised in India, the face value of the bills payable on maturity is treated as debt incurred and the discount charged as Interest expenditure. Part of the increase is also due to the interest (R2·75 lakhs=£18,300) payable in respect of a temporary loan of R4 crores (£2⅔ million) obtained from the Bank of Bombay and to an increased investment in England on behalf of the Discount Sinking Fund (R5·04 lakhs=£33,600) owing to the realisation, not contemplated in the Budget, of securities of the 4½ per cent. British war loan already held in the fund. *Revised, 1917-18.*

The charges for the service of the Indian war loan for which the Budget included a provision of R90 lakhs (£600,000) are now expected to amount to R2,77 lakhs (£1,847,000) owing to a large increase in the proceeds of the loan. The larger payment to His Majesty's Government from the proceeds of the loan will however result in a reduction in the amount of the British debt for which India assumes liability in connection with her contribution of £100 million towards the cost of the war, and the excess in Interest expenditure in India will be counterbalanced by a saving in the provision for dividends and sinking fund in respect of the British war debt taken over.

65. In the Budget for 1918-19 provision has been made for a full year's interest on the Indian war loan raised in the current year and for a sinking fund appropriation of R41 lakhs (£273,300) in respect of the long term loan (1929-47). A sum of R1,00 lakhs (£666,700) has been set aside for the service of the second Indian war loan to be floated in the coming year, and a further sum of R1,05 lakhs (£700,000) for the discount on the Treasury Bills which it is anticipated will be sold during the course of 1918-19 in replacement of those issued in the current year. The proceeds of the second Indian war loan will also be made over to His Majesty's Government in part payment of the British war debt for which India has assumed liability in connection with her war contribution, and the payments in England in 1918-19 in respect of India's share of the British war debt will therefore be less than in the current year by £675,000. *Budget, 1918-19.*

66. The total provision of £6 million allotted in the Budget estimate for the current year for the service of India's contribution to the war will be applied in the current and next years as follows :—

	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
In India—	£	£	£
Interest and miscellaneous charges for Indian war loan, 1917 . . .	...	1,152,200	1,582,000
Discount on long term Indian war loan (1929-47)	...	418,100	...
Sinking fund for long term Indian war loan (1929-47) at 1¼ per cent. on the amount of loan created by fresh issue and conversion . . .	...	276,700	273,300
Lump provision for charges connected with new Indian war loan . . .	600,000	...	666,700
Total .	600,000	1,847,000	2,522,000
In England—			
Interest on British 5 per cent. war loan (1929-47) taken over by India . .	3,375,000	3,340,100	3,006,200
Sinking fund in respect of British 5 per cent. war loan (1929-47) taken over by India	2,025,000	812,900	471,800
	6,000,000	6,000,000	6,000,000

Transfers to Railway and Irrigation Accounts.

67. The amount of interest transferred to the Railway and Irrigation sections of the accounts depends, firstly, on the capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of railways or irrigation works; and, thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above or other purpose. Our practice is to adopt, for this adjustment, the average rate of interest actually paid in respect of the whole of the non-specific debt in the latest year for which complete accounts are available. The result is that the rate adopted in calculating the Revised estimate for a year is generally somewhat different from that used for the Budget estimate: and this usually leads to a difference between the two estimates apart from that caused by a variation in the capital expenditure itself.

Revised, 1917-18.

The decrease of ₹58·47 lakhs (£389,800) in the Revised estimate of total interest to be transferred in 1917-18, as compared with the Budget, is due to a reduction in the rate, as well as in the capital at charge at the end of 1917-18.

Budget, 1918-19.

The increase in the total amount of interest to be transferred in 1918-19 over the Revised estimate for 1917-18 is almost wholly due to the progress of capital expenditure.

Transfer to Provincial.

68. A portion of the interest on Ordinary Debt appears in the Provincial section of the accounts. Provincial Governments are authorised to grant advances to cultivators (as well as to certain other people in special cases) under various Acts, to Native States, to landholders and notabilities apart from the provisions of any law and to municipalities and local bodies (other than Presidency Corporations), out of amounts annually placed at their disposal by the Government of India. The interest actually levied on such advances is credited as Provincial revenue. But interest at a fixed rate is charged to the Local Governments on the mean between the outstanding balances of the Provincial Loan Accounts at the commencement of the year and at its close; and this is done by transferring the amount so calculated from the Imperial to the Provincial section under Interest on Ordinary Debt. This rate was raised during the current year from 4½ to 5½ per cent. with reference to the rate of interest which the Government of India have now to pay on their own borrowings. Allowing for this alteration in rate, the differences between the Budget and the Revised estimates of the amount to be transferred to the Provincial Section in the current year, and between the latter and the Budget estimate of 1918-19, are explained by the variations in the outstanding balances of the Provincial Loan Account as shown in the table under head XII.—Interest receipts.

Interest on other obligations.

Revised, 1917-18.

69. The total expenditure in 1917-18 is likely to fall short of the Budget provision by ₹10·82 lakhs (£72,100). There will be a reduction of ₹4·96 lakhs in the interest payable on the Savings Bank balance owing mainly to the present anticipation of a net withdrawal of ₹55 lakhs from post office savings banks during the year instead of a net deposit of ₹75 lakhs as contemplated in the Budget; and of ₹5·17 lakhs in the interest payable in respect of the provident funds of railway companies owing to some delay in the actual transfer of the funds to Government.

Budget, 1918-19.

The Budget estimate for 1918-19 provides for an increase of ₹11·39 lakhs (£75,900) over the Revised for 1917-18. It is attributable (*i*) to an anticipated growth in the deposits in State provident funds, (*ii*) to an increase in the interest creditable to the accounts in railway companies' provident funds and (*iii*) to a provision of ₹5 lakhs for bonus on post office cash certificates issued in the current year which are likely to be encashed in 1918-19.

XIII AND 15—POSTS AND TELEGRAPHS.

—	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
REVENUE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Postage and Message Revenue .	4,16,19,153	4,39,07,079	4,78,47,180	5,06,99,000	5,19,19,000	5,49,49,000
2. Commission on money orders .	60,88,658	63,44,831	67,48,904	70,00,000	73,75,000	79,00,000
3. Other Receipts .	43,39,142	44,54,226	46,51,886	48,25,000	48,20,000	49,00,000
TOTAL INDIA . ₹	5,20,46,953	5,47,06,136	5,92,47,970	6,25,24,000	6,41,14,000	6,77,49,000
TOTAL INDIA . £	3,469,797	3,647,076	3,949,865	4,168,300	4,274,300	4,516,600
ENGLAND .	30,000	...	20,014	...	23,000	50,000
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT .	3,499,797	3,647,076	3,969,879	4,168,300	4,297,300	4,566,600
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA.						
1. Message Revenue .	13,23,801	19,29,616	30,32,096	26,02,000	27,45,000	30,00,000
2. Other Receipts .	—14,201	—1,10,479	18,478	—1,91,000	—1,95,000	—2,55,000
TOTAL INDIA . ₹	13,09,600	18,19,137	30,50,574	24,11,000	25,50,000	27,45,000
TOTAL INDIA . £	87,306	121,276	203,371	160,700	170,000	183,000
ENGLAND.						
1. Message Revenue. £	7,220	10,077	1,196	2,000	22,000	2,000
2. Other Receipts £	2,650	9,049	161	14,700	2,800	31,200
TOTAL ENGLAND £	9,870	19,126	1,357	16,700	24,800	33,200
TOTAL INDO-EUROPEAN DEPARTMENT £	97,176	140,402	204,728	177,400	194,800	216,200
TOTAL REVENUE £	3,596,973	3,787,478	4,174,607	4,345,700	4,492,100	4,782,800
EXPENDITURE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Establishment charges . . .	3,19,24,561	3,22,63,206	3,23,38,193	3,38,64,000	3,42,21,000	3,64,42,000
2. Stationery and Printing . . .	13,38,126	15,42,336	15,72,270	16,34,000	18,06,000	17,41,000
3. Conveyance of mails	72,31,660	72,37,261	72,03,461	75,71,000	72,45,000	75,90,000
4. Maintenance of Telegraph Lines .	23,80,227	24,43,300	25,03,651	25,85,000	24,53,000	25,18,000
5. Capital outlay in connection with the Telegraph Service .	7,10,564	—5,47,706	—4,26,035	3,40,000	2,77,000	5,35,000
6. Miscellaneous .	8,70,621	10,58,228	10,47,817	10,80,000	10,87,000	10,91,000
TOTAL INDIA ₹ .	4,44,55,759	4,39,96,625	4,42,39,357	4,70,74,000	4,70,94,000	4,99,17,000
Equivalent in Sterling £	2,963,717	2,933,108	2,949,291	3,138,300	3,139,600	3,327,800
ENGLAND.						
1. Contribution to Eastern mail subsidy £	54,588	42,713	59,863	45,800	45,800	45,800
2. Stores . . £	143,676	149,595	204,171	300,000	230,000	367,800
3. Other items . £	16,999	9,047	5,298	7,700	4,200	4,200
TOTAL ENGLAND . £	215,263	201,355	269,332	353,500	280,000	417,800
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT £	3,178,980	3,134,463	3,218,623	3,491,800	3,419,600	3,745,600
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA AND ENGLAND.						
1. Revenue charges . £	86,888	93,823	107,941	116,300	145,900	133,000
2. Capital outlay . £	13,241	6,732	145,485	31,000	36,700	76,000
3. Payments in respect of Revenue . £	—21,846	—85,338	—30,662	—37,200	—3,200	—23,200
TOTAL INDO-EUROPEAN TELEGRAPH DEPARTMENT £	78,283	15,217	222,764	110,100	179,400	185,800
TOTAL EXPENDITURE . . £	3,257,263	3,149,680	3,441,387	3,601,900	3,599,000	3,931,400
NET REVENUE . £	339,710	637,798	733,220	743,800	893,100	851,400

REVENUE.

(a) *Indian Postal and Telegraph Department.*

Revised, 1917-18.

70. The Revised estimate for 1917-18 exceeds the Budget by R19·35 lakhs (£129,000). An improvement of R15·90 lakhs is expected in India owing to the activity of internal trade and an increase in the revenue from state messages owing to war conditions. There is also a rise of R3·45 lakhs in England in the receipts from the Home Government under the Morley award in connection with the Eastern Mail Service.

Budget, 1918-19.

71. The Budget estimate for 1918-19 provides for a further advance of R36·35 lakhs in the collections in India. An increase of R4·05 lakhs is also expected in England during the next year in connection with the Eastern Mail Service.

(b) *Indo-European Telegraph Department.*

Revised, 1917-18.

72. The small rise of R2·61 lakhs (£17,409) in the revenue in the current year as compared with the Budget estimate is due to an increase in the traffic owing to the war.

Budget, 1918-19.

The Budget estimate for 1918-19 provides for a small growth of R3·21 lakhs (£21,400) in the revenue.

EXPENDITURE.

(a) *Indian Postal and Telegraph Department.*

Revised, 1917-18.

73. The expenditure in 1917-18 is likely to fall short of the Budget grant by R10·83 lakhs (£72,200). The reduction is mainly due to increased credits for the value of stores supplied to the Indian Expeditionary Forces, a lapse in the provision for conveyance of mails owing mainly to a reduction in special train services, and a smaller outlay on stores in England; partly counterbalanced by an increase in the pay of establishments owing to war conditions and in the cost of stationery and printing owing to a rise in prices.

Budget, 1918-19.

74. The Budget grant for 1918-19 exceeds the Revised estimate for the current year by R48·90 lakhs (£326,000). The credits on account of the value of stores supplied to other departments will be less by R5 lakhs in consequence of smaller supplies to the Indian Expeditionary Forces and a larger provision of R7 lakhs is necessary with reference to the increase in the pay of establishments owing to war conditions. The outlay in England will also be higher by R20·67 lakhs owing to a rise in the cost of stores and a larger demand. Apart from these special items, the Budget estimate provides for sanctioned establishments and normal working expenses, together with a margin for the development of the operations of the department which re generally remunerative in character.

(b) *Indo-European Telegraph Department.*

Revised, 1917-18.

75. The Revised estimate for 1917-18 exceeds the Budget by R10·40 lakhs (£69,300), the rise being mainly due to the outlay on hire of, and repairs to, steamers employed on cable maintenance, an increase in the cost of establishments owing to a development of traffic, and a reduction in the net receipts in England in connection with the Joint Purse arrangement, etc.

Budget, 1918-19.

The Budget estimate for 1918-19 is taken at R·96 lakh (£6,400) more than the Revised estimate for the current year. An increase in the capital outlay on the construction of telegraph lines will be nearly covered by an improvement in the net receipts in England in connection with the Joint Purse arrangement, etc., and a reduced provision for repairs to the steamers employed on cable maintenance.

XV AND 17.—MINT.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
REVENUE.						
INDIA.						
1. Percentage chargeable on coinage of new rupees	...	...	61,90,138	...	44,00,000	30,00,000
2. Profit on circulation of—						
(a) Nickel coins	9,54,164	14,01,818	32,91,627	20,00,000	22,00,000	25,00,000
(b) Bronze coins	...	...	...	...	5,50,000	...
3. Fees for coining dollars, etc.	...	136	3,06,032	4,000	3,00,000	26,000
4. Other items	88,301	1,26,348	5,60,185	83,000	5,11,000	1,14,000
TOTAL ₹	10,42,465	15,28,302	1,03,47,982	20,87,000	79,61,000	56,40,000
TOTAL £	69,498	101,887	689,866	139,100	530,700	376,000
England £	...	31	...	...	...	...
TOTAL £	69,498	101,918	689,866	139,100	530,700	376,000
EXPENDITURE.						
INDIA.						
1. Establishment charges	6,85,293	6,40,920	9,91,475	7,26,000	11,07,000	14,23,000
2. Purchase of stores	99,913	82,662	4,19,956	1,79,000	4,91,000	4,20,000
3. Loss on bronze coinage	7,57,341	1,24,786	1,12,152	...	...	...
4. Loss on re-coining old silver coins	4,13,718	3,59,838	4,16,592	4,07,000	7,70,000	4,44,000
5. Other coinage losses	27,906	18,834	4,39,764	...		
TOTAL ₹	19,84,171	12,27,040	23,79,939	13,12,000	23,68,000	22,87,000
TOTAL £	132,278	81,803	158,662	87,500	157,800	152,500
England £	9,404	7,570	8,749	21,100	22,000	17,500
TOTAL £	141,682	89,373	167,411	108,600	179,800	170,000
TOTAL NET REVENUE £	—72,184	12,545	522,455	30,500	350,900	206,000

REVENUE.

76. The Revised estimate for the current year exceeds the Budget by ₹58·74 lakhs. Of this increase ₹44 lakhs are contributed by the seignorage on the coinage of rupees from purchased silver. There will also be a rise of ₹7·50 lakhs in the profit on the circulation of nickel and bronze coins, the demand for which has exceeded anticipations, and a receipt of ₹3 lakhs will accrue in respect of coinage executed for the Egyptian Government. The coinage of new rupees will result in an increase in the operative gains included under "other items" in the above table, but this will be counterbalanced by an increase in the debits on account of operative losses. *Revised, 1917-18.*

77. The Budget estimate for 1918-19 is taken at ₹23·21 lakhs less than the Revised estimate for 1917-18. A moderate provision is made for seignorage on new coinage of rupees and for profit on the circulation of nickel and bronze coins. *Budget, 1918-19.*

EXPENDITURE.

78. The excess of ₹10·69 lakhs in the expenditure in the current year over the Budget estimate arises from the heavy coinage of rupees from purchased silver. The Budget for 1918-19 provides for a moderate expenditure on this account and includes a lump grant of ₹2 lakhs for the construction of a building for the branch of the Royal Mint to be established at Bombay and for establishment and other charges for the coinage of gold. *Revised, 1917-18.* *Budget, 1918-19.*

18.—GENERAL ADMINISTRATION.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
INDIA.						
Imperial.						
1. Cost of the Central Government:						
(i) Salary and expenses of the Governor-General .	10,55,920	10,22,202	10,49,815	10,19,000	10,27,000	10,25,000
(ii) Executive Council .	5,44,171	5,40,960	5,34,543	5,22,000	5,33,000	5,38,000
(iii) Legislative Council .	1,54,746	1,25,012	1,54,383	1,58,000	1,58,000	1,58,000
(iv) Charges of the Secretariats .	36,87,063	36,89,215	38,11,699	37,59,000	38,43,000	37,42,000
2. Offices of Account and Audit . . .	38,10,796	38,51,253	38,97,014	37,99,000	39,60,000	38,57,000
3. Currency Department and Reserve Treasury . . .	8,53,233	9,59,186	10,46,462	10,78,000	12,12,000	11,04,000
4. Payments to Presidency Banks for treasury and public debt work . .	3,82,870	3,95,461	4,63,264	4,09,000	4,94,000	4,74,000
5. Ajmer-Merwara Administration, etc. .	2,068	2,404	4,594	2,000	5,000	2,000
6. Delhi . . .	1,43,117	1,47,767	1,45,418	1,39,000	1,31,000	1,36,000
7. North-West Frontier Administration .	3,36,534	3,69,421	3,61,994	3,93,000	3,98,000	4,15,000
Total .	1,09,70,523	1,11,02,886	1,14,69,186	1,12,78,000	1,17,61,000	1,14,51,000
Provincial.						
1. Madras . . .	15,22,569	15,50,732	15,15,419	15,96,000	16,28,000	15,86,000
2. Bombay . . .	21,15,164	20,49,821	20,50,106	21,04,000	21,21,000	21,63,000
3. Bengal . . .	24,18,157	23,88,887	24,82,180	25,70,000	25,17,000	25,88,000
4. United Provinces .	17,54,705	17,56,105	17,60,350	17,90,000	17,74,000	18,21,000
5. Punjab . . .	13,27,042	12,41,339	12,48,683	12,66,000	12,21,000	12,87,000
6. Burma . . .	15,72,207	15,87,066	16,89,550	15,99,000	17,49,000	16,18,000
7. Bihar and Orissa .	13,45,502	13,50,018	14,14,087	13,88,000	14,60,000	14,18,000
8. Central Provinces .	9,71,025	9,25,185	9,62,329	9,50,000	9,88,000	9,91,000
9. Assam . . .	6,06,828	6,12,443	5,94,072	6,11,000	6,18,000	6,26,000
Total .	1,36,33,199	1,34,61,596	1,37,16,781	1,38,74,000	1,40,76,000	1,40,98,000
TOTAL INDIA .	2,46,03,722	2,45,64,482	2,51,85,967	2,51,52,000	2,58,37,000	2,55,49,000
Equivalent in Sterling .	£ 1,640,248	£ 1,637,632	£ 1,679,065	£ 1,676,800	£ 1,722,500	£ 1,703,300
ENGLAND.						
1. Cost of the Secretary of State's establishment, etc. . .	268,486	280,424	301,819	300,100	325,600	324,900
2. Stores, etc., for India.	139,504	50,682	102,253	80,000	175,000	235,300
TOTAL £	407,990	331,106	404,072	380,100	500,600	560,200
GRAND TOTAL £	2,048,238	1,968,738	2,083,137	2,056,900	2,223,100	2,263,500

(*a*) *India—Imperial.*

79. The expenditure in 1917-18 is likely to exceed the Budget grant by R4·83 lakhs. The increase is due to (*a*) a rise in the charges of the civil account department (R1·61 lakhs) owing mainly to the cost of advertising the Indian war loan, for which provision was included in the Budget under "Interest on debt," (*b*) the expenses of coinage and shipment to India of gold which was tendered in Australia on behalf of the Government of India instead of in India for acquisition under the Gold Import Act (R1·15 lakhs), (*c*) an excess in the allowance payable to the Presidency Banks owing to increased public debt work (R·85 lakh) and (*d*) larger expenditure on account of the Secretariats owing to the employment of officers on special duty in the Home, Army and other Departments in connection with the war and the question of constitutional reforms (R·84 lakh). The Budget estimate for 1918-19 provides generally for sanctioned establishments and normal charges. The decrease of R3·10 lakhs as compared with the Revised estimate for the current year is due to the omission of the special items of expenditure included in the latter for the coinage and shipment of gold, for officers on special duty in the Secretariats and for the advertisement of the war loan. Provision for the last item has been included, along with other charges for the loan, under "Interest on debt". *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

80. The total Revised for 1917-18 will exceed the Budget grant by R2·02 lakhs. Increases of R1·50 lakhs and R·72 lakh respectively are expected in Burma and Bihar and Orissa; in the former province owing to the deputation of officers on special duty in the Secretariats, and extra expenditure necessitated by the Viceregal visit, and in the latter on account of the cost of furniture for the new Secretariats. There will also be a rise of R·38 lakh in the Central Provinces and R·32 lakh in Madras owing to the deputation of officers on special duty, but minor savings are anticipated in the Punjab and Bengal, due in the former case to the record under Police of the salary and other charges of the officer employed in connection with the reclamation of criminal tribes, for whom provision was included under General Administration in the Budget. The variations in the other provinces are unimportant. *Revised, 1917-18.*

81. The total Budget estimate for 1918-19 is only R·22 lakh more than the Revised for the current year. There will be decreases in Burma (R1·31 lakhs), Madras (R·42 lakh) and Bihar and Orissa (R·42 lakh) due to smaller outlay on officers on special duty, the omission in Burma of special expenditure incurred in the current year on account of the Viceregal visit and a reduced provision in Bihar and Orissa for the furnishing of the Secretariats. An increase of expenditure is anticipated in all the other provinces. Provision has been made for revision of Secretariat establishments in the Punjab (R·35 lakh), for a Controller of Prices in Bombay (R·50 lakh) and for additional establishment for the inspection of the accounts of police offices and Government schools and the creation of a new Department in the Secretariat in the United Provinces. *Budget, 1918-19.*

(*c*) *England.*

82. The Revised estimate for 1917-18 exceeds the Budget by £120,500. The cost of stores supplied to India will be exceeded by £86,200 owing to the manufacture of currency notes for R1 and R2½ and a rise in the price of paper, and an expenditure of £8,800 arises in connection with the visit of the Secretary of State to India and the establishment of a Trade Commissioner's office in London. There will also be a rise of £25,500 in the charges of the Secretary of State's establishment due mainly to higher salaries necessitated by the exigencies of the war, larger payments for professional inspection of stores, an increase in the wages of labourers at the India Store Depot and the addition of a new storey to the India Office building. The Budget estimate for 1918-19 exceeds the Revised for the current year by £59,600, owing mainly to increased provision for the cost of currency notes, partly set off by the omission of the expenditure in the current year in connection with the Secretary of State's visit to India. *Revised, 1917-18.* *Budget, 1918-19.*

XVI-A and 19-A.—LAW AND JUSTICE—COURTS OF LAW.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	3,66,885	3,66,693	3,77,772	3,51,000	2,96,000	2,44,000
2. Delhi	2,42,989	1,63,893	1,56,874	1,46,000	1,60,000	1,48,000
3. Baluchistan	22,517	27,479	23,944	25,000	28,000	28,000
4. North-West Frontier	6,49,779	6,41,577	6,64,690	7,02,000	6,89,000	7,16,000
Total	12,82,170	11,99,642	12,23,280	12,24,000	11,73,000	11,36,000
Provincial.						
1. Madras	82,64,186	84,47,568	85,47,219	86,15,000	86,26,000	89,13,000
2. Bombay	57,76,860	57,75,879	56,15,539	57,73,000	56,80,000	58,98,000
3. Bengal	1,03,78,200	1,03,11,110	99,20,187	1,01,57,000	1,00,10,000	1,01,75,000
4. United Provinces	66,82,719	69,97,430	67,48,239	68,18,000	66,90,000	67,58,000
5. Punjab	46,02,900	47,44,398	44,95,204	46,74,000	44,85,000	47,14,000
6. Burma	50,21,931	50,76,796	50,08,388	50,88,000	49,23,000	49,57,000
7. Bihar and Orissa	35,30,823	38,22,402	41,02,172	42,20,000	42,44,000	42,33,000
8. Central Provinces	28,17,148	28,83,014	28,50,990	30,72,000	29,93,000	30,67,000
9. Assam	10,14,742	10,35,202	10,27,425	10,53,000	10,50,000	10,52,000
Total	4,80,89,509	4,90,93,799	4,83,75,363	4,94,70,000	4,87,01,000	4,97,67,000
TOTAL INDIA . R	4,93,71,679	5,02,93,441	4,95,98,643	5,06,94,000	4,98,74,000	5,09,03,000
Equivalent in Sterling £	3,291,445	3,352,896	3,306,576	3,379,600	3,324,900	3,393,600
England . . . £	809	1,042	450	1,000	1,400	800
TOTAL £	3,292,254	3,353,938	3,307,026	3,380,600	3,326,300	3,394,400

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	3,17,242	2,81,439	1,64,745	1,48,000	1,23,000	40,000
2. Delhi	17,849	22,944	26,284	23,000	20,000	20,000
3. Baluchistan	24,532	38,128	48,303	38,000	46,000	46,000
4. North-West Frontier	1,43,825	1,74,293	2,05,258	2,30,000	2,28,000	2,28,000
Total	5,03,448	5,16,804	4,44,590	4,39,000	4,17,000	3,34,000
Provincial.						
1. Madras	11,44,480	12,00,387	11,38,856	11,48,000	11,28,000	10,79,000
2. Bombay	8,43,009	8,66,659	8,26,303	8,70,000	9,00,000	9,35,000
3. Bengal	8,60,139	8,43,999	9,21,386	8,82,000	11,07,000	12,23,000
4. United Provinces	7,86,719	8,53,721	8,60,104	8,73,000	8,49,000	8,64,000
5. Punjab	5,87,921	5,67,763	6,90,167	7,00,000	7,30,000	7,60,000
6. Burma	6,51,323	6,33,412	6,38,635	6,57,000	6,19,000	6,22,000
7. Bihar and Orissa	2,96,004	3,50,679	3,01,846	3,13,000	3,64,000	3,69,000
8. Central Provinces	2,58,662	2,43,774	2,57,305	2,70,000	2,75,000	2,80,000
9. Assam	1,36,817	1,25,971	1,42,796	1,40,000	1,37,000	1,43,000
Total	55,65,074	56,86,365	57,77,398	58,53,000	61,09,000	62,75,000
TOTAL R	60,68,522	62,03,169	62,21,988	62,92,000	65,26,000	66,09,000
Equivalent in Sterling £	404,568	413,545	414,799	419,500	435,100	440,600

EXPENDITURE.

(*a*) *Imperial.*

83. The decreases against "India General" in the Revised estimate of the current year as compared with the Budget and in the Budget for 1918-19 as compared with the current year's Revised arise from the provincialization and transfer to the Government of Bengal of the charges of the Administrator General and the Official Trustee, Bengal, from the 1st October 1917. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

84. The Revised estimate for 1917-18 falls short of the Budget by R7·69 lakhs. The saving occurs in all the provinces except Madras and Bihar and Orissa where there are unimportant excesses, due in the latter to the cost of special tribunals in connection with riot cases. Among the general factors which have contributed to the decrease in expenditure may be mentioned the deputation of officers to military duty, vacancies in the sanctioned scales and the reduced rates for exchange compensation allowance. A portion of the saving is also due to the partial non-utilisation of the grants for compensation for dearness of food in the Punjab, for pleader's fees in Bengal and Bombay and for revision of establishments in the Central Provinces. The reduction in Bengal and Bombay would have been higher but for expenditure on grain compensation allowance for which there was no provision in the Budget under this head, and in the former province the charges of the Administrator General and the Official Trustee which were transferred to Provincial revenues in the current year. *Revised, 1917-18.*

85. The Budget for 1918-19 is R10·66 lakhs more than the Revised estimate for 1917-18. The excess is distributed over all the provinces except Bihar and Orissa. Provision has generally been made for the normal charges of sanctioned establishments. Allotments have been included for revision of pay of process-service establishments and for temporary subordinate courts in Madras (R·98 lakh); for revision of process-service and chief court establishments and other minor reforms in the Punjab (R·78 lakh); for various additional appointments in Bombay (R1·69 lakhs); and for two additional Judges for the High Court (R1·04 lakhs) and the charges of the Administrator General and the Official Trustee for the whole year (R1·08 lakhs) in Bengal. *Budget, 1918-19.*

REVENUE.

(*a*) *Imperial.*

86. The Revised estimate for 1917-18 falls short of the Budget by R·22 lakh and the Budget for the next year is less than the current year's Revised by R·83 lakh. The decrease in both years is due to the provincialisation of the receipts realised by the Administrator General and the Official Trustee. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

87. The total revenue in the current year is likely to exceed the Budget estimate by R2·56 lakhs. The improvement occurs mainly in Bengal (R2·25 lakhs) due to an increase in magisterial fines and to the receipts of the Administrator General and the Official Trustee from the 1st October 1917. There will also be special receipts of R·35 lakh in Bihar and Orissa from the new High Court and of R·49 lakh in Madras on account of the value of unclaimed Goverment promissory notes in the hands of the Administrator General; the notes will be endowed to a hospital, their value being credited as judicial receipts and charged *per contra* as medical expenditure. These receipts will however be absorbed by a decline in magisterial fines in several provinces. The Budget for 1918-19 provides for a full year's receipts by the Administrator General and the Official Trustee in Bengal and for normal receipts in the other provinces. *Revised, 1917-18.* *Budget, 1918-19.*

XVI-B and 19-B.—LAW AND JUSTICE—JAILS.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	17,73,473	18,26,014	21,25,376	21,57,000	21,68,000	21,75,000
2. Delhi	74,135	81,739	78,315	82,000	78,000	80,000
3. Baluchistan	30,498	38,170	39,311	45,000	39,000	40,000
4. North-West Frontier	2,13,234	2,52,648	3,07,717	3,03,000	3,10,000	3,29,000
TOTAL	20,91,340	21,98,571	25,50,719	25,87,000	25,95,000	26,24,000
Provincial.						
1. Madras	15,43,300	15,27,715	15,63,198	15,48,000	16,04,000	16,03,000
2. Bombay	12,82,660	12,85,300	13,34,848	13,35,000	13,65,000	13,97,000
3. Bengal	25,50,828	25,06,617	27,96,318	28,89,000	30,64,000	30,03,000
4. United Provinces	23,13,033	23,84,085	23,27,153	24,15,000	22,81,000	24,28,000
5. Punjab	15,86,118	17,93,754	17,61,295	19,46,000	19,14,000	20,44,000
6. Burma	15,77,416	15,31,723	15,68,263	16,24,000	16,42,000	15,46,000
7. Bihar and Orissa	14,80,168	14,21,469	14,22,827	15,13,000	15,88,000	15,98,000
8. Central Provinces	7,51,965	6,56,887	6,62,816	6,77,000	6,92,000	7,21,000
9. Assam	2,94,557	3,29,022	3,06,686	3,47,000	3,24,000	3,42,000
TOTAL	1,31,80,045	1,34,36,572	1,37,43,404	1,42,94,000	1,44,74,000	1,46,82,000
TOTAL INDIA ₹	1,52,71,385	1,56,35,143	1,62,94,123	1,68,81,000	1,70,69,000	1,73,06,000
Equivalent in Sterling £	1,018,093	1,042,343	1,086,275	1,125,400	1,137,900	1,153,700
England £	450	177	147	...	...	...
TOTAL £	1,018,543	1,042,520	1,086,422	1,125,400	1,137,900	1,153,700

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	3,70,057	4,66,352	6,37,775	6,33,000	7,60,000	7,65,000
2. Delhi	33,457	33,164	29,090	32,000	28,000	28,000
3. Baluchistan	552	858	850	1,000	1,000	1,000
4. North-West Frontier	37,074	42,008	49,203	46,000	39,000	39,000
TOTAL	4,41,140	5,42,382	7,16,918	7,12,000	8,28,000	8,33,000
Provincial.						
1. Madras	6,25,005	5,10,531	5,69,398	5,65,000	7,74,000	6,10,000
2. Bombay	2,85,042	3,11,796	3,04,611	2,75,000	3,10,000	3,00,000
3. Bengal	8,34,256	9,09,148	12,13,040	11,02,000	14,00,000	13,52,000
4. United Provinces	3,63,038	3,52,443	3,67,714	3,62,000	3,63,000	3,51,000
5. Punjab	4,08,694	4,44,191	4,16,024	4,38,000	6,03,000	5,96,000
6. Burma	4,19,784	4,36,989	4,08,869	4,10,000	3,86,000	4,37,000
7. Bihar and Orissa	7,03,179	6,82,564	7,88,794	7,42,000	8,57,000	8,82,000
8. Central Provinces	2,77,557	2,17,291	3,05,914	2,70,000	3,16,000	3,42,000
9. Assam	90,310	81,047	94,583	98,000	92,000	90,000
TOTAL	40,06,865	39,46,000	44,68,947	42,62,000	51,01,000	49,60,000
TOTAL ₹	44,48,005	44,88,382	51,85,865	49,74,000	59,29,000	57,93,000
Equivalent in Sterling £	296,534	299,225	345,725	331,600	395,200	386,200

EXPENDITURE.

(a) *Imperial.*

88. The figures show little variation.

(b) *Provincial.*

Revised, 1917-18.

89. The total expenditure in 1917-18 is likely to exceed the Budget grant by R1·80 lakhs. A large excess of R7·24 lakhs will occur in the purchase of raw materials, mainly in Bengal (R2·71 lakhs), the Punjab (R1·48 lakhs), Bihar and Orissa (R1·26 lakhs) and Madras (R1·25 lakhs), due to increased orders from the Military and other Departments for jail-made articles and to a rise in prices. On the other hand, there will be a saving of R5·44 lakhs in the ordinary charges of jails, mainly in the Punjab (R1·80 lakhs), the United Provinces (R1·24 lakhs), Bengal (R·96 lakh) and Madras (R·69 lakh) as the result of a decrease in dietary expenses owing to the prices of food-grains having been less than anticipated in the Budget, and in some provinces to a fall in the jail population. An additional cause for the saving in the Punjab is the transfer of convicts for the formation of a labour corps in Mesopotamia. The variations in the other provinces both under manufactures and ordinary charges are unimportant.

Budget, 1918-19.

90. The Budget for 1918-19 exceeds the Revised of the current year by R2·08 lakhs. The grant is generally based on the sanctioned scales of establishment, the probable jail population and the estimated outlay on raw materials with reference to supplies anticipated to the Military and other Departments. Provision has generally been made for a rise in dietary charges and for an increase in the jail population in Bihar and Orissa in consequence of the recent riots.

REVENUE.

(a) *Imperial.*

Revised, 1917-18.

91. The excess of R1·16 lakhs in the Revised estimate for the current year as compared with the Budget occurs mainly in the receipts from the S. S. "Maharaja". The Budget estimate for 1918-19 closely follows the Revised for 1917-18.

Budget, 1918-19.

(b) *Provincial.*

Revised, 1917-18.

92. The increase of R8·39 lakhs in the revenue in the current year over the Budget estimate is mainly due to heavy supplies of jail-made articles to the Military and other Departments in Bengal, Madras, the Punjab and Bihar and Orissa. Special receipts have also accrued in the Punjab and Bombay from the supply of convict labour to arsenals, etc. The Budget estimate for 1918-19 is based on present information in regard to demands for jail-made articles from other departments. Allowance is made for some decline in Madras and Bengal from the high receipts of the current year.

Budget, 1918-19.

XVII AND 20.—POLICE.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	11,52,094	12,34,883	12,62,285	14,25,000	13,44,000	13,99,000
2. Delhi	4,29,842	4,04,580	3,76,897	4,13,000	4,16,000	4,10,000
3. Baluchistan	5,84,734	5,90,234	5,91,599	6,27,000	6,44,000	6,98,000
4. North-West Frontier	18,05,391	19,32,256	22,06,427	24,99,000	25,94,000	28,23,000
Total	39,72,061	41,61,953	44,37,208	49,64,000	49,98,000	53,30,000
Provincial.						
1. Madras	1,09,30,808	1,10,09,898	1,14,74,811	1,17,47,000	1,17,41,000	1,20,73,000
2. Bombay	1,04,25,121	1,05,79,762	1,06,16,374	1,12,49,000	1,06,69,000	1,14,30,000
3. Bengal	1,03,72,545	1,09,03,783	1,16,57,283	1,34,38,000	1,22,84,000	1,37,85,000
4. United Provinces	1,25,99,303	1,28,01,703	1,25,13,155	1,27,78,000	1,26,26,000	1,31,86,000
5. Punjab	62,48,665	64,25,524	64,52,125	70,14,000	65,90,000	69,49,000
6. Burma	1,34,74,754	1,37,05,639	1,37,01,907	1,38,04,000	1,33,15,000	1,36,03,000
7. Bihar and Orissa	47,22,728	47,55,942	46,98,196	48,67,000	50,72,000	54,59,000
8. Central Provinces	34,60,413	35,88,952	34,72,855	36,87,000	35,65,000	37,00,000
9. Assam	23,30,651	23,65,730	23,33,931	23,99,000	23,27,000	24,82,000
Total	7,45,64,988	7,61,36,933	7,69,25,637	8,09,83,000	7,81,89,000	8,26,67,000
TOTAL INDIA . R	7,85,37,049	8,02,98,886	8,13,62,845	8,59,47,000	8,31,87,000	8,79,97,000
Equivalent in Sterling £	5,235,803	5,353,259	5,424,190	5,729,800	5,545,300	5,866,500
England . . £	1,205	356	...	100	200	100
TOTAL . £	5,237,008	5,353,615	5,424,190	5,729,900	5,546,000	5,866,600

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	21,267	23,617	26,110	21,000	22,000	22,000
2. Delhi	5,007	5,967	7,473	6,000	7,000	6,000
3. Baluchistan	18,714	20,710	23,610	23,000	23,000	23,000
4. North-West Frontier	33,308	32,279	24,450	23,000	44,000	32,000
Total	78,296	82,573	81,643	73,000	96,000	83,000
Provincial.						
1. Madras	4,94,132	5,06,454	5,19,980	5,12,000	5,38,000	5,32,000
2. Bombay	2,59,452	3,02,072	3,67,773	3,37,000	1,05,000	1,01,000
3. Bengal	1,77,419	1,90,866	1,83,633	1,71,000	1,87,000	1,87,000
4. United Provinces	79,991	1,01,839	98,835	90,000	1,17,000	1,13,000
5. Punjab	1,72,730	1,98,940	2,71,038	2,18,000	2,28,000	1,76,000
6. Burma	6,44,811	5,79,894	5,48,016	4,50,000	4,67,000	4,05,000
7. Bihar and Orissa	39,897	36,068	35,733	58,000	88,000	8,75,000
8. Central Provinces	23,907	26,452	43,228	46,000	43,000	26,000
9. Assam	1,48,580	1,22,825	1,74,880	89,000	1,27,000	97,000
Total	20,40,919	20,65,410	22,43,116	19,71,000	19,00,000	25,12,000
TOTAL . R	21,19,215	21,47,983	23,24,759	20,44,000	19,96,000	25,95,000
Equivalent in Sterling £	141,281	143,199	154,984	136,300	133,100	173,000
England . . £	...	...	54	...	...	...
TOTAL . £	141,281	143,199	155,038	136,300	133,100	173,000

EXPENDITURE.

(*a*) *Imperial* (*including outlay in England*).

Revised, 1917-18.

93. The Revised estimate for 1917-18 is more than the Budget by R·36 lakh. There is an excess of R·95 lakh in the North-West Frontier Province owing to the entertainment of additional forces and the revision of the constabulary, but it will be nearly set off by the lapse of a grant in Bangalore for initial outlay in connection with a contemplated reorganisation scheme. The Budget estimate for 1918-19 exceeds the Revised for the current year by R3·30 lakhs. Provision has been made for the full sanctioned strength in the North-West Frontier Province, and for a revised scale of pay and a reorganisation scheme in Bangalore. There is also a minor increase in expenditure in Baluchistan.

Budget, 1918-19.

(*b*) *Provincial.*

Revised, 1917-18.

94. The expenditure in the current year is expected to fall short of the Budget grant by R27·94 lakhs. The saving occurs in all the provinces except in Bihar and Orissa where there is an increase of R2·05 lakhs from the entertainment of additional police in connection with the recent riots. A substantial portion of the reduction in expenditure occurs in Bengal (R11·54 lakhs) due mainly to the non-utilisation of the lump grants included in the Budget for additional police and reforms. Among the general causes of the decrease in other provinces are the non-filling up of vacancies in the executive forces, partly on account of difficulties in recruitment, and the deputation of officers to military duty. A portion of the saving is also due (1) to the recoveries in respect of police supplied to the Port Trust, Municipalities and other bodies in Bombay being taken in the Revised estimate in reduction of expenditure instead of to the receipt head (R2·53 lakhs), (2) to a lapse in the grant for reclamation of criminal tribes in the Punjab and (3) the postponement till the 1st April 1918 of a reorganisation scheme in the Central Provinces for which provision was included in the Budget. The saving in Bombay and the United Provinces has been partly absorbed by the grant of grain compensation allowance in the former province and by an increase in the pay of constables introduced in the latter from the 1st January 1918.

Budget, 1918-19.

95. The Budget estimate for 1918-19 is taken at R44·78 lakhs more than the Revised for the current year. The excess is distributed over all the provinces and provision has been made for the full cost of sanctioned establishments and of the various schemes already introduced including in the Central Provinces the reorganisation scheme which has recently been sanctioned and will be given effect to from the 1st April 1918. A considerable increase of R15·01 lakhs is anticipated in Bengal owing to allotments for various schemes including the completion of the reorganisation of the subordinate and river police, the raising of the reserve of constables and head constables in the province and an increase in the pay of the Calcutta force. Allotments for urgent improvements have also been made in the other provinces, *e.g.*, for the reorganisation of the District Police in Bombay (R2·25 lakhs), for the introduction of new schemes in Burma (R1·42 lakhs), and for additional force including armed police and for a military camp in Bihar and Orissa (R2·20 lakhs). Provision has been made for larger grant of grain compensation allowance in Bombay (R1·11 lakhs) and the Punjab (R1·01 lakhs) and for increased outlay on the scheme for the reclamation of criminal tribes in the latter province (R1·35 lakhs).

REVENUE.

(*a*) *Imperial.*

96. The figures show little variation.

(*b*) *Provincial.*

Revised, 1917-18.

97. The Revised estimate for 1917-18 falls short of the Budget by R·71 lakh. There will be a decrease of R2·32 lakhs in Bombay owing mainly to the adjustment in reduction of expenditure of the recoveries in respect of police supplied to the Port Trust, Municipalities, etc., but it will be largely set off by minor increases in almost all the other provinces including recoveries on account of punitive police in Burma and Bihar and Orissa. The Budget estimate for 1918-19 exceeds the Revised of the current year by R6·12 lakhs. The increase is due to recoveries on account of punitive police in the parts of Bihar and Orissa affected by the recent riots, partly set off by smaller recoveries on the same account in Burma and the Punjab.

Budget, 1918-19.

XVIII AND 21.—PORTS AND PILOTAGE.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Provincial.						
1. Madras . . .	36,552	47,020	37,017	47,000	48,000	43,000
2. Bombay . .	1,74,032	1,86,008	1,23,771	1,14,000	1,11,000	1,22,000
3. Bengal . .	13,78,205	13,73,063	11,15,029	12,15,000	10,35,000	11,12,000
4. Burma . . .	14,79,283	14,86,303	16,47,384	14,84,000	16,49,000	16,67,000
5. Bihar and Orissa .	1,029	5,114	6,071	7,000	6,000	6,000
6. Assam . . .	60,729	61,620	65,756	62,000	66,000	64,000
Total India .	31,29,830	31,59,128	29,95,028	29,29,000	29,15,000	30,14,000
Equivalent in Sterling £	208,655	210,609	199,668	195,300	194,300	200,900
England . . . £	1	...	...	...	...	...
TOTAL . £	208,656	210,609	199,668	195,300	194,300	200,900

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Provincial.						
1. Madras . . .	68	69	1,313	...	...	...
2. Bombay . . .	1,29,876	1,31,976	1,62,135	1,57,000	1,85,000	2,00,000
3. Bengal . . .	15,52,988	13,49,562	12,60,964	11,81,000	10,26,000	10,30,000
4. Burma . . .	4,21,961	3,99,267	4,26,674	4,24,000	3,68,000	4,03,000
5. Bihar and Orissa .	70	...	...	...	...	...
6. Assam . . .	112	38	199	...	...	...
TOTAL R	21,05,075	18,80,912	18,51,285	17,62,000	15,79,000	16,33,000
Equivalent in Sterling £	140,339	125,394	123,419	117,500	105,300	108,900

EXPENDITURE.

98. The total Revised estimate for 1917-18 does not differ materially from the Budget. A decrease of R1·80 lakhs in Bengal due mainly to a reduction in the charges of pilot establishments as a result of the present trade conditions is nearly counterbalanced by an increase of R1·65 lakhs in Burma due to a larger outlay on stores owing to a rise in prices and to the higher cost of maintenance of light houses and light ships. The Budget estimate for 1918-19 provides for an increase in the charges of pilot establishments in Bengal and is taken at R·99 lakh more than the Revised for the current year.

Revised, 1917-18.

Budget, 1918-19.

REVENUE.

99. The falling-off of R1·83 lakhs in the revenue in 1917-18 as compared with the Budget estimate is chiefly due to the unfavourable conditions of seaborne trade. Credit has been taken in Bengal for the value of a launch made over to the Military Department. The Budget estimate for 1918-19 does not differ materially from the Revised for the current year.

Revised, 1917-18.

Budget, 1918-19.

XIX AND 22.—EDUCATION.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India, General	9,25,293	7,03,183	7,38,288	10,89,000	8,03,000	10,88,000
2. Delhi	2,34,513	1,92,315	1,82,753	2,07,000	1,98,000	2,06,000
3. Baluchistan	81,011	91,031	97,743	1,16,000	1,02,000	1,34,000
4. North-West Frontier	5,02,767	5,27,345	5,17,061	6,31,000	5,83,000	6,97,000
Total	17,43,584	15,13,874	15,35,845	20,43,000	16,86,000	21,25,000
Provincial.						
1. Madras	78,31,353	76,96,650	83,17,005	94,79,000	92,26,000	1,12,98,000
2. Bombay	83,03,180	75,29,863	76,01,881	85,89,000	77,18,000	1,21,42,000
3. Bengal	92,07,022	84,83,414	76,87,152	98,13,000	81,14,000	1,03,01,000
4. United Provinces	70,23,430	60,78,311	62,26,532	68,80,000	68,78,000	74,34,000
5. Punjab	42,20,202	44,10,192	42,78,524	46,32,000	44,61,000	54,77,000
6. Burma	31,67,165	30,44,813	30,84,334	37,59,000	35,15,000	41,25,000
7. Bihar and Orissa	36,87,752	35,73,507	36,87,173	41,50,000	40,34,000	47,39,000
8. Central Provinces	26,95,062	27,85,989	29,96,350	32,71,000	34,37,000	36,89,000
9. Assam	15,98,655	14,13,758	14,39,231	15,85,000	15,07,000	18,35,000
Total	4,77,33,821	4,50,16,497	4,53,18,182	5,21,58,000	4,88,90,000	6,10,40,000
TOTAL INDIA ₹	4,94,77,405	4,65,30,371	4,68,54,027	5,42,01,000	5,05,76,000	6,31,65,000
Equivalent in Sterling £	3,298,494	3,102,025	3,123,602	3,613,400	3,371,600	4,211,000
England £	10,320	9,102	9,346	10,000	12,000	10,500
TOTAL	3,308,814	3,111,127	3,132,948	3,623,400	3,383,600	4,221,500

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	41,371	50,614	44,464	45,000	41,000	47,000
2. Delhi	15,158	15,681	15,529	15,000	16,000	16,000
3. Baluchistan	18,070	18,689	17,847	18,000	19,000	19,000
4. North-West Frontier	24,800	26,796	1,51,370	24,000	25,000	25,000
TOTAL	99,399	1,11,780	2,29,210	1,02,000	1,01,000	1,07,000
Provincial.						
1. Madras	3,23,120	3,09,763	3,54,148	4,26,000	3,64,000	4,28,000
2. Bombay	6,00,079	7,94,273	5,73,245	6,38,000	9,68,000	6,26,000
3. Bengal	8,47,110	8,86,574	9,47,392	9,28,000	9,40,000	9,79,000
4. United Provinces	6,09,306	6,47,761	6,50,893	7,15,000	7,00,000	7,37,000
5. Punjab	4,77,429	4,91,073	5,22,373	5,24,000	5,23,000	5,40,000
6. Burma	3,53,679	3,65,991	3,65,741	3,94,000	3,69,000	3,68,000
7. Bihar and Orissa	2,99,643	3,70,930	3,55,634	3,30,000	3,73,000	3,80,000
8. Central Provinces	2,14,529	2,60,617	2,71,297	2,75,000	2,85,000	3,00,000
9. Assam	1,69,456	1,86,780	2,04,236	2,08,000	2,12,000	2,27,000
TOTAL	38,94,351	43,13,762	42,44,959	44,78,000	47,34,000	45,85,000
TOTAL INDIA ₹	39,93,750	44,25,542	44,74,169	45,80,000	48,35,000	46,92,000
Equivalent in Sterling £	266,250	295,036	298,278	305,300	322,300	312,800

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

Revised, 1917-18.

100. The Revised estimate for 1917-18 is less than the Budget by R3·27 lakhs. The latter included a reserve provision of R2·90 lakhs, from which R1·78 lakhs have been allotted to Provincial Governments for non-recurring outlay, while R·19 lakh has been applied to expenditure on sundry objects such as model school buildings at Ajmer, etc., which is recorded under "45—Civil Works." The balance of the decrease in expenditure is due to lapses in the reserve and in ordinary grants.

101. The reserve of R2·90 lakhs provided in the Budget for 1917-18 out of the recurring appropriation of R154 lakhs made from Imperial revenues up to the end of the current year for the improvement of education, will be utilised as shown below to the extent of R2·47 lakhs and the balance of R·43 lakh will lapse:—

	Lakhs of R.
(*i*) Assigned to Provincial Governments for non-recurring expenditure	1·78
(*ii*) Allotted for non-recurring expenditure in minor administrations, etc.	·29
(*iii*) Balance which is likely to be allotted to definite objects before the close of the year	·40
Total	2·47

Budget, 1918-19.

102. The Budget estimate for 1918-19 exceeds the Revised for the current year by R4·17 lakhs, the increase being mainly due to provision for grants to certain schools in the North-West Frontier Province and Bangalore; for expenditure in minor administrations from the fresh Imperial grant for development of primary education referred to below; and a reserve of R2·77 lakhs.

103. Of the special appropriation of R154 lakhs mentioned in paragraph 101, R149·87 lakhs have already been distributed among the various provinces, etc., to meet recurring expenditure. The balance of R4·13 lakhs has been allotted as follows in the Budget estimate of the ensuing year:—

	Lakhs of R.
(*i*) Assigned to Provincial Governments for non-recurring expenditure	2·13
(*ii*) Allotted to minor administrations	·23
(*iii*) Reserve	1·77
Total	4·13

It is proposed to make a further recurring appropriation from Imperial revenues of R30 lakhs from the year 1918-19 for expenditure on the development of primary education. This amount has been allotted as follows:—

	Lakhs of R.
(*i*) Assigned to Provincial Governments—*vide* distribution by Provinces in paragraph 225	28·50
(*ii*) Assigned to minor administrations	·50
(*iii*) Reserve	1·00
Total	30·00

(*b*) *Provincial.*

Revised, 1917-18.

104. The total expenditure in 1917-18 is expected to be R32·68 lakhs less than the Budget estimate. The latter included special allotments under this head, aggregating about R138 lakhs, from the recurring and non-recurring assignments made from Imperial revenues in recent years for the development and improvement of education. These allotments are expected to be utilised to the extent of about R135 lakhs, R116 lakhs of the expenditure being recorded

under Education, and the balance under Civil Works. Under the former head, there is thus a decrease of R22 lakhs as compared with the Budget provision in the outlay from special Imperial grants; and the expenditure from other Provincial resources will accordingly fall short of the corresponding Budget provision by about R10¾ lakhs. This decrease is chiefly due to lapses in ordinary grants in Bombay, Bengal and Madras, partly counterbalanced by increased expenditure in the Central Provinces.

Budget, 1918-19.

105. The Budget estimate for 1918-19 exceeds the Revised for the current year by R121·50 lakhs, of which R28·50 lakhs represent expenditure from the fresh appropriation of R30 lakhs for the development of primary education. The expenditure in 1918-19 from the previous Imperial assignments will be about R30 lakhs more than in 1917-18, the provision made in the Budget under Education amounting to R146 lakhs against a probable outlay of R116 lakhs in the current year. The provision in the Budget for 1918-19 for expenditure from ordinary Provincial resources is thus about R63 lakhs more than in the Revised of the current year. The increase is distributed over almost all the provinces, but is largest in Bombay (R33 lakhs) and Madras (R13 lakhs). Provision has generally been made for an expansion of the expenditure on education in various directions, chiefly by grants to schools. Special allotments have been made of R2·87 lakhs in Madras on account of grants to local bodies for buildings for secondary and elementary schools; R2·00 lakhs in the Punjab for grants to local bodies for new schools; and in Bombay of R15 lakhs for grants out of the extra revenue which will be obtained from a change in the system of sales of country spirit (*vide* paragraph 32), R2·00 lakhs for the introduction of compulsory primary education in municipal areas, R3·00 lakhs for grants to local and municipal boards for increased pay and staff, and of R1·93 lakhs for grants to municipalities for primary schools maintained by them.

106. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants given from Imperial revenues in recent years. To simplify the position, it has been assumed that the whole of the recurring grants for any year are fully utilised before any expenditure is debited against the non-recurring grants.

[In lakhs of Rupees.]

Province.	Grants to end of 1918-19.	Expenditure.					Unspent balance on 31st March 1919.
		To end of 1916-17.	In 1917-18 (Revised) recorded under		In 1918-19 (Budget) recorded under		
			Education.	Other heads.	Education.	Other heads.	
1. Madras	65·15	50·86	·10	1·98	2·92	1·32	7·97
2. Bombay	57·80	17·59	·17	·27	7·07	...	32·70
3. Bengal	1,48·96	47·91	—17·45	...	—5·07	...	1,23·57
4. United Provinces	67·57	44·24	·29	2·96	·07	1·93	18·08
5. Punjab	39·83	38·83	—1·25	...	1·85	...	·40
6. Burma	33·75	12·50	...	5·42	...	...	15·83
7. Bihar and Orissa	41·37	14·18	—·65	...	—·43	...	28·27
8. Central Provinces	23·40	19·55	·42	·20	·45	...	2·78
9. Assam	15·70	11·85	—·33	...	—·33	...	4·51
Total	4,93·53	2,57·51	—18·70	10·83	6·53	3·25	2,34·11

Owing to the need for economy, no material progress with the spending of these grants is likely to be made in the ensuing year. As stated above, however, a substantial provision is being made for further expenditure from ordinary Provincial resources during the next year. The *minus* figures against some of the provinces indicate that it will not be possible to utilise fully the recurring grants from Imperial revenues for educational expenditure.

REVENUE.

(*a*) *Imperial.*

107. The figures show little variation.

(*b*) *Provincial.*

108. The Revised estimate for 1917-18 exceeds the Budget by ₹2·56 lakhs. A special credit of ₹3·50 lakhs is expected in Bombay owing to the refund of a grant made to the Victoria Jubilee Technical Institute in 1915. The Budget included a provision of ₹·89 lakh in Madras for fees from private secondary schools to be taken over under Government management; no receipts on this account will be realised as the scheme has not been brought into effect in the current year. The Budget estimate for 1918-19 is less than the Revised for the current year by ₹1·49 lakhs. The special receipt in Bombay included in the Revised for 1917-18 has been omitted and the provision for fees from secondary schools in Madras to be taken over under Government management has been repeated. Allowance has been made generally for a further growth in receipts in the other provinces.

Revised, 1917-18.

Budget, 1918-19.

23.—ECCLESIASTICAL.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. India General .	1,84,119	1,72,073	1,71,081	1,76,000	1,72,000	1,74,000
2. Delhi . . .	16,083	17,390	14,617	18,000	17,000	20,000
3. Baluchistan . .	21,772	25,075	25,820	27,000	25,000	24,000
4. North-West Frontier	43,958	52,088	53,955	57,000	64,000	65,000
5. Madras . .	3,23,132	3,50,120	3,27,254	3,66,000	3,50,000	3,55,000
6. Bombay . .	3,22,831	3,17,201	3,61,023	4,64,000	3,65,000	3,83,000
7. Bengal . . .	1,90,758	1,89,362	1,70,542	1,78,000	1,72,000	1,72,000
8. United Provinces .	2,59,009	2,87,932	2,46,495	2,65,000	2,38,000	2,56,000
9. Punjab . .	2,46,590	2,61,357	2,44,868	2,60,000	2,43,000	2,80,000
10. Burma . . .	1,43,624	1,41,366	1,45,878	1,47,000	1,44,000	1,46,000
11. Bihar and Orissa .	33,102	34,893	34,451	40,000	37,000	39,000
12. Central Provinces .	97,927	91,913	1,10,532	1,13,000	1,04,000	1,10,000
13. Assam . . .	19,183	22,536	18,843	22,000	24,000	24,000
TOTAL INDIA ₹	19,02,088	19,63,856	19,25,359	21,33,000	19,55,000	20,48,000
Equivalent in Sterling £	126,806	130,924	128,357	142,200	130,300	136,500
England . . £	413	122	180	300	400	300
TOTAL £	127,219	131,046	128,537	142,500	130,700	136,800

Revised, 1917-18.

109. The saving of ₹1·77 lakhs in the Revised estimate for the current year as compared with the Budget arises from the decision to debit to the Military Department the cost of additional chaplains for war hospitals and hospital ships in Bombay for which provision was included in the Budget under "Ecclesiastical" (₹1·09 lakhs) and from minor savings in some other provinces.

Budget, 1918-19.

The Budget for 1918-19 provides generally for the sanctioned scale of expenditure.

XXA AND 24A.—MEDICAL.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	6,58,111	6,70,402	7,19,326	7,75,000	7,84,000	7,65,000
2. Delhi	2,60,911	1,68,155	1,83,659	1,76,000	2,14,000	2,47,000
3. Baluchistan	95,006	1,00,281	93,697	97,000	94,000	1,38,000
4. North-West Frontier	1,29,185	1,31,622	1,82,796	1,86,000	1,60,000	1,92,000
Total	11,43,213	10,70,460	11,79,478	12,34,000	12,52,000	13,42,000
Provincial.						
1. Madras	18,01,313	16,76,622	17,99,320	22,89,000	22,54,000	26,34,000
2. Bombay	18,40,309	18,12,721	19,17,471	19,60,000	20,30,000	22,91,000
3. Bengal	24,79,568	22,83,740	23,36,330	26,14,000	27,75,000	26,86,000
4. United Provinces	13,42,993	13,56,449	13,61,327	14,23,000	13,80,000	14,14,000
5. Punjab	13,26,288	12,41,347	8,03,440	11,05,000	8,90,000	11,57,000
6. Burma	19,05,125	17,51,522	16,71,842	17,68,000	17,17,000	17,34,000
7. Bihar and Orissa	7,56,715	6,37,591	6,62,846	6,96,000	8,03,000	8,11,000
8. Central Provinces	8,33,357	6,94,816	7,13,854	8,57,000	8,17,000	9,24,000
9. Assam	5,71,296	5,61,057	5,26,400	5,67,000	5,42,000	5,49,000
Total	1,28,56,964	1,20,15,865	1,17,92,830	1,32,79,000	1,32,08,000	1,42,00,000
TOTAL INDIA ₹	1,40,00,177	1,30,86,325	1,29,72,308	1,45,13,000	1,44,60,000	1,55,42,000
Equivalent in Sterling £	933,345	872,422	864,820	967,500	964,000	1,036,100
England £	1,356	1,328	946	1,000	800	800
TOTAL £	934,701	873,750	865,766	968,500	964,800	1,036,900

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	6,011	6,164	6,938	6,000	16,000	6,000
2. Delhi	1,404	2,593	1,241	1,000	2,000	1,000
3. Baluchistan	88	264	26	...	...	...
4. North-West Frontier	2,564	1,339	726	1,000	1,000	1,000
TOTAL	10,067	10,360	8,931	8,000	19,000	8,000
Provincial.						
1. Madras	1,41,876	1,27,918	1,42,059	1,54,000	1,63,000	2,35,000
2. Bombay	2,94,210	3,29,612	4,20,308	3,84,000	4,70,000	4,80,000
3. Bengal	3,92,348	3,59,574	3,73,618	3,62,000	3,90,000	4,05,000
4. United Provinces	81,473	1,29,942	95,135	1,00,000	1,13,000	97,000
5. Punjab	43,958	39,960	39,224	40,000	44,000	42,000
6. Burma	91,398	1,01,547	1,22,585	1,04,000	1,26,000	1,25,000
7. Bihar and Orissa	18,569	28,872	40,268	34,000	47,000	49,000
8. Central Provinces	9,074	14,234	7,960	9,000	8,000	8,000
9. Assam	9,870	8,272	6,499	13,000	15,000	9,000
TOTAL	10,82,776	11,39,931	12,47,656	12,00,000	13,76,000	14,50,000
TOTAL INDIA ₹	10,92,843	11,50,291	12,56,587	12,08,000	13,95,000	14,58,000
Equivalent in Sterling £	72,856	76,686	83,772	80,500	93,000	97,200
England £	633	562	356	400	300	300
TOTAL £	73,489	77,248	84,128	80,900	93,300	97,500

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

Revised, 1917-18. 110. The Revised estimate for 1917-18 does not differ materially from the
Budget, 1918-19. Budget. The Budget for 1918-19 includes provision for a new women's hospital in Baluchistan and for some increase in grants to hospitals in Delhi.

(*b*) *Provincial.*

Revised, 1917-18. 111. The expenditure in 1917-18 is expected to be less than the Budget by ₹·71 lakh. There will be excesses of ₹1·61 lakhs in Bengal due to an increased grant to the Belgatchia Medical College and the record under Medical of contributions to nursing associations for which Budget provision was included under Miscellaneous; and of ₹1·07 lakhs in Bihar and Orissa owing to the charges of the newly constructed European Lunatic Asylum and to grants made to hospitals and dispensaries from the reserve provision included under Miscellaneous. On the other hand, a saving of ₹2·15 lakhs is anticipated in the Punjab owing to the record under Civil Works of a contribution to the King Edward Memorial Fund for which provision was made in the Budget under Medical, and to a lapse in the allotment for extensions of certain hospitals. Minor variations in the other provinces will result in a further saving as compared with the Budget.

Budget, 1918-19. 112. The Budget estimate for 1918-19 is taken at ₹9·92 lakhs more than the Revised for the current year. Provision has been made for the cost of sanctioned establishments and for normal charges generally; for expenditure in connection with the transfer of headquarter hospitals to Government management (₹2·50 lakhs) and for grants to local bodies for medical buildings (₹1·50 lakhs) in Madras; for quarters for medical subordinates and improvement of hospitals in the Central Provinces (₹1·85 lakhs); for a grant to the Bombay Municipality for the construction of an infectious diseases hospital (₹1·78 lakhs); and for the establishment of new dispensaries in the Punjab (₹1 lakh).

REVENUE.

(*a*) *Imperial.*

113. The figures show little variation.

(*b*) *Provincial.*

Revised, 1917-18. 114. The increase of ₹1·76 lakhs in the Revised for the current year over
Budget, 1918-19. the Budget arises from larger receipts from college fees and paying patients in several provinces. The Budget estimate for 1918-19 provides for an increase of ₹·72 lakh in Madras on account of contributions from local bodies in connection with the transfer of headquarter hospitals to Government management.

XXB AND 24B.—SANITATION.

EXPENDITURE.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18. Budget.	1917-18. Revised.	Budget, 1918-19.
Imperial.						
1. India General	8,29,344	5,65,050	6,40,852	11,16,000	4,91,000	16,85,000
2. Delhi	2,60,279	1,13,058	2,71,741	60,000	2,17,000	70,000
3. Baluchistan	11,146	10,677	11,652	10,000	11,000	11,000
4. North-West Frontier	1,21,332	2,59,711	2,21,002	2,39,000	2,09,000	1,57,000
Total	12,22,101	9,48,496	11,45,247	14,25,000	9,28,000	19,23,000
Provincial.						
1. Madras	7,16,906	33,51,417	17,04,832	13,76,000	16,12,000	14,38,000
2. Bombay	6,59,805	5,73,767	4,61,198	10,85,000	8,37,000	24,74,000
3. Bengal	5,35,586	4,15,035	3,93,456	5,98,000	6,10,000	11,71,000
4. United Provinces	19,07,308	14,31,461	13,73,996	16,21,000	15,22,000	15,84,000
5. Punjab	14,97,202	7,24,883	8,08,780	7,67,000	9,50,000	8,18,000
6. Burma	13,09,635	9,37,463	9,03,407	9,10,000	9,14,000	9,15,000
7. Bihar and Orissa	2,46,474	3,27,032	2,54,466	5,45,000	3,14,000	5,42,000
8. Central Provinces	5,65,249	5,36,972	5,90,997	6,53,000	7,91,000	6,31,000
9. Assam	1,34,426	1,06,657	1,42,872	1,49,000	1,91,000	2,12,000
Total	75,72,591	84,04,637	66,34,004	77,04,000	77,41,000	97,85,000
TOTAL INDIA ₹	87,94,692	93,53,133	77,79,251	91,29,000	86,69,000	1,17,08,000
Equivalent in Sterling £	586,313	623,542	518,617	608,600	577,900	780,500
England £	4,984	1,744	1,651	2,000	1,700	1,500
Total	591,297	625,286	520,298	610,600	579,600	782,000

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	20,817	29,665	1,00,087	60,000	1,80,000	1,50,000
2. North-West Frontier	1,224	5,310	...	...	...	...
TOTAL	22,041	34,975	1,00,087	60,000	1,80,000	1,50,000
Provincial.						
1. Madras	9,685	10,834	17,485	10,000	14,000	14,000
2. Bombay	11,941	12,927	20,075	16,000	13,000	16,000
3. Bengal	2,210	660	33,937	12,000	23,000	18,000
4. United Provinces	63,462	80,666	40,938	30,000	39,000	30,000
5. Punjab	41,964	37,853	1,16,022	81,000	1,26,000	96,000
6. Burma	14,860	20,411	21,474	20,000	14,000	20,000
7. Bihar and Orissa	...	2,967	13,527	16,000	16,000	16,000
8. Central Provinces	9,594	20,579	31,553	30,000	36,000	40,000
9. Assam	14,095	18,983	29,902	27,000	36,000	40,000
TOTAL	1,67,811	2,05,880	3,74,913	2,42,000	3,17,000	2,90,000
TOTAL INDIA ₹	1,89,852	2,40,855	4,75,000	3,02,000	4,97,000	4,40,000
Equivalent in sterling £	12,657	16,057	31,667	20,100	33,100	29,300

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

Revised, 1917-18.

115. The Revised estimate for 1917-18 is less than the Budget by R5·02 lakhs. The decrease is largely nominal and is due to the assignment to Provincial Governments of R4·55 lakhs out of the reserve of R5·67 lakhs for sanitary expenditure, provision for which was included in the Imperial section in the Budget estimate. There will be increases of R1·57 lakhs in Delhi due mainly to allotments for sanitary improvements, of which R·89 lakh was from the reserve provision mentioned above; and of R·96 lakh in the charges of the Central Research Institute at Kasauli, owing to a large purchase of chemicals. These excesses will be more than set off by a saving of R1·50 lakhs in the grant to the Indian Research Fund and by minor lapses in other grants.

116. The reserve of R5·67 lakhs provided in the Budget for 1917-18 out of the recurring appropriation of R51 lakhs from Imperial revenues for the improvement of sanitation will be utilised as shown below :—

[Lakhs of rupees.]

(*i*) Assigned to Provincial Governments for non-recurring outlay as follows :—		
(*a*) to the United Provinces for the improvement of the pilgrim route to Badrinath and Kedarnath	1·00	
(*b*) to Bengal for water-supply in Midnapore	1·00	
(*c*) to the Punjab for various sanitary measures	1·20	
(*d*) to Bombay (·75) and the Central Provinces (·60) for the relief of certain congested areas	1·35	
		4·55
(*ii*) To Delhi for sanitary improvements, etc.		·89
(*iii*) To Coorg for drainage schemes		·23
TOTAL		5·67

Budget, 1918-19.

117. The Budget estimate for 1918-19 exceeds the Revised for the current year by R9·92 lakhs. Provision has been made for the cost of sanctioned establishments and normal charges generally; and for a reserve of R8·08 lakhs. The reduction of R1·47 lakhs in the expenditure in Delhi is due to the absence of the special outlay mentioned in paragraph 115.

118. Out of the special appropriation of R51 lakhs referred to in paragraph 116, R37·92 lakhs have been assigned permanently to Provincial Governments or allotted for outlay in minor administrations. From the balance of R13·08 lakhs, R5 lakhs will be paid in 1918-19 to the Indian Research Fund; and R8·08 lakhs will be held in reserve to meet pressing demands that may come forward during the ensuing year.

(*b*) *Provincial.*

Revised, 1917-18.

119. The Revised estimate for 1917-18 does not differ materially from the Budget. The latter included special allotments aggregating about R36 lakhs for outlay from recurring and non-recurring grants made from Imperial revenues for the development of sanitation. The corresponding expenditure is now estimated at R39 lakhs inclusive of expenditure from the assignments made during the current year as stated in paragraph 116. Of this amount, R36 lakhs only are recorded under Sanitation, the balance being shown under Civil Works. It is therefore expected that the provision for expenditure from ordinary Provincial resources will be fully utilised. The Revised estimate in Madras includes a payment of R1·50 lakhs to the Madras Corporation for water-supply and drainage works for which there was no provision in the Budget.

Budget, 1918-19.

120. The Budget estimate for 1918-19 exceeds the Revised for the current year by R20·44 lakhs. The provision under Sanitation for expenditure from special Imperial grants amounts to about R43 lakhs against a probable expenditure of R36 lakhs in the current year. Provision has generally been made

for the full cost of sanctioned establishments as well as for an expansion of outlay in aid of sanitary schemes in several provinces, Madras, the Central Provinces and the Punjab being the only provinces which provide for a material decrease in the total expenditure. A considerable increase (R16·37 lakhs) is anticipated in Bombay owing to allotments proposed for sanitary schemes from the extra revenue which will be obtained from a change in the system of sales of country spirit—*vide* paragraph 32. Allotments have also been made in Bengal for measures for combating malaria.

121. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants made from Imperial revenues in recent years (beginning from 1911-12) in aid of sanitation. To simplify the position, it has been assumed that the recurring grants are fully utilised before any expenditure is debited against the non-recurring grants; and the *minus* figure in 1917-18 and 1918-19 against some of the provinces indicates that the recurring grants will not be spent in full during the year.

[In lakhs of rupees.]

Province.	Grants to end of 1918-19.	Expenditure.					Unspent balance on 31st March 1919.
		To end of 1916-17.	In 1917-18 (Revised) recorded under		In 1918-19 (Budget) recorded under		
			Sanitation.	Other heads.	Sanitation.	Other heads.	
Madras . . .	39·25	39·25	...	...	...	...	...
Bombay . . .	38·70	12·64	—1·31	...	2·00	...	25·37
Bengal . . .	41·55	6·86	—1·50	...	3·50	...	32·69
United Provinces .	53·20	30·97	1·30	...	...	...	20·93
Punjab . . .	31·84	19·47	2·20	...	...	...	10·17
Burma . . .	21·50	12·66	...	...	...	...	8·84
Bihar and Orissa .	17·82	11·02	—·19	...	...	...	6·99
Central Provinces .	17·10	9·69	3·17	·05	1·23	·03	2·93
Assam . . .	6·96	6·96	—·39	...	—·29	...	·68
Total .	2,67·92	1,49·52	3·28	·05	6·44	·03	1,08·60

No material expenditure from the special grants is expected in the current and next years. Only three of the provinces expect to utilise in 1918-19 a portion of the unspent balances of the non-recurring grants; while in Assam, the recurring grant will not be spent in full.

Revenue.

(*a*) *Imperial.*

122. The increase of R1·20 lakhs in the Revised estimate for the current year as compared with the Budget is mainly due to heavy war demands for anti-sera and vaccine. The Budget for 1918-19 provides for some decrease in the revenue now estimated for the current year. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

123. The variations between the Budget and Revised estimates for the current year and between the latter and the Budget for the next year occur mainly in the receipts from the sale of quinine in the Punjab.

25—POLITICAL.

	Accounts, 1914-1915.	Accounts, 1915-16.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	64,80,080	76,84,254	83,08,451	1,48,21,000	2,19,42,000	2,69,38,000
2. Delhi	810	1,236	880	1,000	2,000	1,000
3. Baluchistan	24,13,424	25,32,825	31,91,018	27,42,000	28,74,000	29,21,000
4. North-West Frontier	31,60,054	33,77,482	37,09,366	50,53,000	43,70,000	47,85,000
5. Punjab	6,23,229	6,22,022	6,15,273	6,13,000	5,88,000	5,84,000
6. Other Provinces	6,67,596	7,54,390	6,42,728	9,10,000	7,53,000	7,65,000
TOTAL	1,33,45,193	1,49,72,209	1,64,67,716	2,41,40,000	3,05,29,000	3,59,94,000
Provincial.						
1. Madras	85,269	85,757	91,967	89,000	91,000	89,000
2. Bombay	5,15,841	5,02,820	5,01,663	5,30,000	4,70,000	5,28,000
3. Bengal	18,358	23,187	89,380	2,36,000	2,98,000	2,99,000
4. United Provinces	3,960	4,264	5,790	8,000	8,000	12,000
5. Burma	18,26,178	11,89,489	10,94,813	17,33,000	11,77,000	15,94,000
6. Bihar and Orissa	57,363	39,687	48,925	60,000	60,000	54,000
7. Central Provinces	34,483	30,422	37,605	44,000	46,000	45,000
8. Assam	6,03,759	5,68,221	5,67,560	5,95,000	5,54,000	6,07,000
TOTAL	31,45,211	24,43,847	24,37,703	32,95,000	27,04,000	32,28,000
TOTAL INDIA . R	1,64,90,404	1,74,16,056	1,89,05,419	2,74,35,000	3,32,33,000	3,92,22,000
Equivalent in Sterling £	1,099,360	1,161,070	1,260,361	1,829,000	2,215,500	2,614,800
England . . . £	23,975	6,957	22,082	24,200	36,100	17,900
TOTAL . £	1,123,335	1,168,027	1,282,443	1,853,200	2,251,600	2,632,700

124. The Imperial outlay shown against "Other Provinces" consists of the charges of the Political Residency at Aden and certain other expenditure—mainly in connection with political refugees and State prisoners—in several provinces.

(*a*) *Imperial—India and England.*

Revised, 1917-18.

125. The expenditure in 1917-18 is likely to exceed the Budget estimate by R65·67 lakhs. The latter included a provision of R45 lakhs on account of the South Persia Rifles, a corps raised to assist the Persian Government in maintaining order in tracts in which British interests are specially concerned with reference to present war conditions; the expenditure is borne in moieties between the Home and Indian Governments and the Indian share is now estimated at R1,35 lakhs inclusive of R32·25 lakhs for outlay which was incurred in 1916-17 but which will be brought to account in the current year. On the other hand, other political expenditure in Persia arising from war conditions will be less than the Budget by R26·73 lakhs. There is also a lapse in the North-West Frontier Province, part of which arises from the record under Police of the charges for the revision of the Frontier Constabulary for which Budget provision was included under Political; but it will be more than covered by increases under other items.

Budget, 1918-19.

126. The total Budget for 1918-19 is more than the Revised for the current year by R51·92 lakhs. An increase is expected in the political expenditure in Persia, but it will be counterbalanced to some extent by a reduction in the Indian share of the outlay on the South Persia Rifles owing to the omission of the expenditure in 1916-17 included in the Revised estimate for the current year.

(*b*) *Provincial.*

Revised, 1917-18.

127. The saving of R5·91 lakhs in the Revised estimate for the current year as compared with the Budget occurs mainly in the special expenditure in Burma in connection with the administration and proper control of the North-East Frontier.

Budget, 1918-19.

The Budget estimate for 1918-19 exceeds the Revised for the current year by R5·24 lakhs owing to the inclusion of normal provision for the same item of expenditure.

XXI A. AND 26 A.—AGRICULTURE.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	7,57,462	7,71,720	8,33,341	11,24,000	10,30,000	10,10,000
2. Delhi	10,860	10,705	10,861	12,000	13,000	12,000
3. Baluchistan	27,624	36,672	25,764	36,000	34,000	47,000
4. North-West Frontier	84,757	80,060	61,623	1,53,000	80,000	1,44,000
5. Other Provinces	28,555	27,189	...	...	...	...
TOTAL	9,09,258	9,26,346	9,31,589	13,25,000	11,57,000	12,13,000
Provincial.						
1. Madras	8,33,060	11,21,167	12,00,524	14,50,000	13,07,000	15,68,000
2. Bombay	12,45,834	12,06,261	12,60,166	15,71,000	14,31,000	16,89,000
3. Bengal	10,22,161	11,39,162	10,86,600	12,26,000	11,55,000	14,20,000
4. United Provinces	12,20,008	12,74,821	11,90,354	21,66,000	15,18,000	19,40,000
5. Punjab	11,45,530	11,82,849	12,41,220	24,45,000	13,39,000	18,54,000
6. Burma	5,31,738	6,03,974	6,35,179	6,92,000	7,17,000	7,52,000
7. Bihar and Orissa	4,73,448	4,73,647	4,52,239	5,98,000	5,86,000	7,06,000
8. Central Provinces	7,37,743	7,81,288	8,34,255	11,76,000	8,65,000	10,17,000
9. Assam	2,84,524	2,33,082	2,82,892	3,16,000	3,24,000	3,81,000
TOTAL	75,44,046	80,16,251	81,83,429	1,16,40,000	92,42,000	1,13,27,000
TOTAL INDIA . R	84,53,304	89,42,597	91,15,018	1,29,65,000	1,03,99,000	1,25,40,000
Equivalent in Sterling £	563,554	596,173	607,668	864,300	693,300	836,000
England . . . £	2,631	1,328	3,947	2,000	3,900	6,800
TOTAL . £	566,185	597,501	611,615	866,300	697,200	842,800

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	1,28,632	1,55,342	1,77,036	2,18,000	1,77,000	3,28,000
2. Delhi	100	...	...	...	...	...
3. Baluchistan	4,042	2,260	4,252	4,000	4,000	4,000
4. North-West Frontier	1,993	2,450	772	6,000	10,000	11,000
TOTAL	1,34,767	1,60,052	1,82,060	2,28,000	1,91,000	3,43,000
Provincial.						
1. Madras	1,19,810	1,70,924	1,98,249	2,20,000	1,79,000	1,99,000
2. Bombay	1,17,134	1,52,129	1,78,517	1,90,000	2,00,000	1,90,000
3. Bengal	71,678	1,01,156	1,16,197	1,05,000	1,35,000	1,55,000
4. United Provinces	1,80,094	1,98,213	2,42,510	3,13,000	2,96,000	2,55,000
5. Punjab	1,72,827	2,27,457	2,50,060	2,41,000	3,86,000	6,74,000
6. Burma	14,112	16,026	24,733	15,000	18,000	19,000
7. Bihar and Orissa	18,242	25,674	31,486	35,000	35,000	70,000
8. Central Provinces	1,10,341	1,10,759	1,27,160	1,27,000	1,25,000	1,40,000
9. Assam	9,256	14,582	15,669	66,000	40,000	89,000
TOTAL	8,13,494	10,16,920	11,84,611	13,12,000	14,14,000	17,91,000
TOTAL INDIA . R	9,48,261	11,76,972	13,66,671	15,40,000	16,05,000	21,34,000
Equivalent in sterling £	63,217	78,465	91,111	102,700	107,000	142,300

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

Revised, 1917-18. 128. The Revised estimate for 1917-18 is less than the Budget by R1·39 lakhs. Part of the saving is due to an assignment of R1 lakh made to the Punjab Provincial revenues by transfer from an allotment from the wheat profits included in the Budget for direct Imperial expenditure by the Agricultural Adviser. There will also be a lapse in the North-West Frontier Province in the provision for outlay from the wheat profits and in the grant for the creation of a separate Veterinary Department. *Budget, 1918-19.* The Budget estimate for 1918-19 is more than the Revised for the current year by R·99 lakh. The grant for the Veterinary Department has been repeated in the North-West Frontier Province and provision made for the expenditure of the unspent balance of the share of the wheat profits allotted to that province.

(*b*) *Provincial.*

Revised, 1917-18. 129. The total Revised estimate for 1917-18 is less than the Budget by R23·98 lakhs. Of this decrease, R17·94 lakhs occurs in the allotments made from the profits of the wheat scheme, the local Governments concerned expecting to spend R4·26 lakhs only in the current year against a Budget provision of R22·20 lakhs. Unimportant lapses are also expected in the ordinary grants in several provinces. *Budget, 1918-19.* The Budget estimate for 1918-19 exceeds the Revised for the current year by R20·85 lakhs of which R9·84 lakhs represent increased expenditure proposed from the unspent balance of the wheat profits. Special allotments have also been made in almost all the provinces from ordinary Provincial resources for the expansion of the operations of the agricultural and allied departments.

REVENUE.

(*a*) *Imperial.*

Revised, 1917-18. 130. The Revised estimate for 1917-18 does not differ materially from the Budget. *Budget, 1918-19.* The Budget estimate for 1918-19 provides for an anticipated supply of serum to Egypt and the Soudan; part of the increase in the Budget for 1918-19 as compared with the current year's Revised is also due to the fact that supplies to Government Departments of products of the Bacteriological Laboratory at Muktesar are now charged for.

(*b*) *Provincial.*

Revised, 1917-18. 131. The increases in the Revised estimate for 1917-18 as compared with the Budget and in the Budget for 1918-19 as compared with the current year's *Budget, 1918-19.* Revised occur mainly in the Punjab in connection with a scheme for the sale of wheat seed to cultivators through the Agricultural Department.

XXI B AND 26 B.—SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	41,42,629	38,85,573	34,89,886	41,70,000	38,51,000	37,81,000
2. Delhi	8,500	2,775	3,659	1,000	3,000	1,000
3. Baluchistan	6,903	10,024	12,507	13,000	13,000	25,000
4. North-West Frontier	8,889	8,479	16,052	9,000	11,000	11,000
5. Other Provinces	34,554	36,620	35,899	37,000	34,000	37,000
TOTAL	42,01,475	39,43,471	35,57,953	42,30,000	39,12,000	38,55,000
Provincial.						
1. Madras	9,68,100	10,27,401	12,28,215	15,55,000	14,01,000	17,77,000
2. Bombay	1,49,990	1,52,064	1,64,418	3,17,000	2,93,000	3,63,000
3. Bengal	5,16,108	4,47,690	4,69,606	5,83,000	6,60,000	19,60,000
4. United Provinces	86,787	1,11,509	1,13,013	1,01,000	96,000	1,01,000
5. Punjab	1,01,133	1,39,277	1,48,452	1,75,000	1,55,000	1,57,000
6. Burma	80,931	73,712	99,953	82,000	92,000	1,01,000
7. Bihar and Orissa	25,936	21,634	28,732	26,000	43,000	32,000
8. Central Provinces	68,995	79,172	93,969	1,17,000	1,41,000	1,93,000
9. Assam	84,227	87,599	77,020	84,000	78,000	89,000
TOTAL	20,82,207	21,40,058	24,23,378	30,40,000	29,59,000	47,73,000
TOTAL INDIA ₹	62,83,682	60,83,529	59,81,331	72,70,000	68,71,000	86,28,000
Equivalent in Sterling £	418,912	405,568	398,756	484,700	458,100	575,200
England (mainly stores) £	34,815	26,490	40,424	52,500	43,400	57,300
TOTAL £	453,727	432,058	439,180	537,200	501,500	632,500

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	1,40,748	1,17,564	1,09,082	1,16,000	93,000	1,09,000
2. Delhi	4,677	938	2,384	1,000	5,000	5,000
3. Baluchistan	214	8	24	...	...	...
4. North-West Frontier	283	135	468	...	...	...
TOTAL	1,45,922	1,18,645	1,11,958	1,17,000	98,000	1,14,000
Provincial.						
1. Madras	8,67,866	11,13,461	13,85,311	17,61,000	15,60,000	17,21,000
2. Bombay	46,128	36,465	38,875	1,27,000	1,50,000	1,28,000
3. Bengal	4,61,291	6,04,849	12,60,469	7,81,000	26,10,000	19,09,000
4. United Provinces	21,263	22,119	21,645	23,000	22,000	21,000
5. Punjab	7,159	27,245	30,676	30,000	34,000	34,000
6. Burma	2,177	3,993	29,912	5,000	6,000	6,000
7. Bihar and Orissa	2,837	2,874	1,443	2,000	2,000	2,000
8. Central Provinces	28,184	26,608	24,792	28,000	29,000	30,000
9. Assam	9,594	11,409	17,966	2,000	10,000	3,000
TOTAL	14,46,499	18,49,023	28,11,089	27,59,000	44,23,000	38,54,000
TOTAL INDIA ₹	15,92,421	19,67,668	29,23,047	28,76,000	45,21,000	39,68,000
Equivalent in Sterling £	106,161	131,178	194,870	191,700	301,400	264,500
England £	624	557	678	700	900	1,000
TOTAL £	106,785	131,735	195,548	192,400	302,300	265,500

Details of expenditure shown against "Imperial" in the preceding table.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
(a) Scientific—						
i. Survey of India	23,84,144	21,73,009	18,13,854	24,08,000	19,91,000	19,79,000
ii. Geological Survey	2,64,322	2,40,809	1,73,234	2,40,000	2,34,000	2,36,000
iii. Meteorological Survey	4,54,563	4,32,342	4,21,807	4,39,000	4,21,000	4,22,000
iv. Archæological Survey	3,37,503	3,09,368	3,17,591	2,71,000	3,51,000	3,06,000
v. Zoological Survey	...	...	46,480	1,03,000	90,000	1,00,000
vi. Central Museum	1,41,049	1,34,001	93,010	34,000	44,000	46,000
vii. Other items	93,592	67,723	70,676	75,000	76,000	80,000
(b) Labour and Emigration—						
Emigration and other charges	4,984	21,123	17,178	19,000	21,000	19,000
(c) Statistics—						
i. Bureau of Commercial Intelligence, and other charges	1,71,530	1,92,508	1,98,551	1,84,000	2,06,000	1,94,000
ii. Census	2,510	2,007	2,121	2,000	2,000	2,000
(d) Miscellaneous—						
i. Imperial Library	44,462	45,723	45,639	73,000	73,000	46,000
ii. Examinations	51,224	45,782	47,602	48,000	47,000	50,000
iii. Chief Inspector of Explosives	79,825	87,808	82,777	88,000	81,000	85,000
iv. Acetone Factory	...	...	...	40,000	...	...
v. Inspector of Mines	1,12,728	1,25,498	1,23,471	1,36,000	1,35,000	1,40,000
vi. Controller of Patents	32,231	36,462	40,384	42,000	40,000	42,000
vii. Actuary to Government of India	22,641	22,315	24,519	24,000	24,000	25,000
viii. Wheat Commissioner	...	...	...	...	50,000	74,000
ix. Other items	4,167	6,993	29,559	4,000	26,000	9,000
TOTAL ₹	42,01,475	39,43,471	35,57,953	42,30,000	39,12,000	38,55,000

132. The figures of expenditure shown against "Other Provinces" in the table on the preceding page represent outlay incurred in the several provinces in connection with ethnographical survey and census operations, as well as the cost of the Archæological Department in Burma.

EXPENDITURE.

(a) *Imperial—India and England.*

Revised, 1917-18.

133. The total expenditure in 1917-18 will be less than the Budget by ₹1·54 lakhs. Savings are anticipated in the grant for the Survey of India (₹4·17 lakhs) owing to a larger programme of work undertaken for other Departments and a consequent curtailment in the operations chargeable to this head, and in the outlay on stores in England (₹1·36 lakhs). Part of the saving will be absorbed by the cost of the Wheat Commissioner and his establishment and special archæological expenditure. The increase of ₹1·51 lakhs in the Budget for 1918-19 as compared with the Revised for the current year is due to a higher provision for the purchase of stores in England.

Budget, 1918-19

(*b*) *Provincial.*

134. The total Revised estimate for 1917-18 falls short of the Budget by R·81 lakh. A special expenditure of R1·32 lakhs is anticipated in Bengal on the purchase of quinine in Java in order to replenish the stocks which have fallen low, but it will be more than covered by savings in ordinary grants in several provinces, mainly Madras and Bengal. The Budget estimate for 1918-19 is taken at R18·14 lakhs more than the Revised for the current year. Provision is made in Bengal for a further expenditure of R11·93 lakhs on the purchase of quinine in Java. Apart from this expenditure the excess in the Budget for 1918-19 over the Revised amounts to R7·53 lakhs, the bulk of which occurs in Bengal and Madras. Allotments have been made for the development of industries in the former province and in the latter for increased expenditure on industrial schools, for the establishment of a large soap factory and for minor increases in expenditure on other objects.

Revised, 1917-18.

Budget, 1918-19.

Revenue.

(*a*) *Imperial.*

135. The figures show little variation.

(*b*) *Provincial.*

136. The Revised estimate for the current year exceeds the Budget by R16·64 lakhs. An improvement of R18·29 lakhs is anticipated in Bengal owing to larger sales of sulphate of quinine for which there has been a heavy demand from the public and the Military Department, but there will be a decline of R2·01 lakhs in Madras, mainly in the same item of receipt. The Budget estimate for 1918-19 provides for a decrease of R5·69 lakhs as compared with the Revised for the current year. A decline is anticipated in Bengal from the high revenue obtained in the currrent year, but provision has been made for normal scale of receipts from quinine and for proceeds from the sale of soap in Madras.

Revised, 1917-18.

Budget, 1918-19.

27.—TERRITORIAL AND POLITICAL PENSIONS.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
Imperial.						
1. India General .	1,14,693	1,01,560	1,04,826	1,17,000	1,00,000	1,16,000
2. Delhi . . .	55,684	47,698	45,462	45,000	45,000	45,000
3. Baluchistan . .	43,632	36,768	40,038	38,000	40,000	42,000
4. North-West Frontier	60,278	57,670	59,933	61,000	61,000	61,000
5. Madras . . .	3,13,673	3,09,757	3,08,126	3,14,000	2,91,000	2,90,000
6. Bombay . .	5,06,921	4,71,049	4,64,510	4 79,000	4,56,000	4,60,000
7. Bengal . . .	7,45,598	7,21,388	7,25,551	7,23,000	7,21,000	7,20,000
8. United Provinces .	7,02,312	7,70,124	7,39,285	7,78,000	7,41,000	7,82,000
9. Punjab . . .	73,494	2,24,463	70,686	76,000	71,000	71,000
10. Burma . .	1,50,766	1,31,916	1,23,034	1,26,000	1,23,000	1,27,000
11. Bihar and Orissa .	30,670	69,803	47,415	54,000	77,000	53,000
12. Central Provinces .	1,68,752	1,78,338	1,74,837	1,78,000	1,75,000	1,77,000
13. Assam . . .	4,592	7,343	7,570	8,000	8,000	8,000
TOTAL INDIA . R	29,71,065	31,27,877	29,61,273	29,97,000	29,09,000	29,52,000
Equivalent in Sterling £	198,071	208,525	197,418	199,800	193,900	196,800
England . £	10,550	10,550	10,550	10,600	10,600	10,600
TOTAL . £	208,621	219,075	207,968	210,400	204,500	207,400

137. The variations are unimportant.

28.—CIVIL FURLOUGH AND ABSENTEE ALLOWANCES.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
India . . . R	9,018	11,692	22,642	23,000	26,000	20,000
Equivalent in Sterling £	601	780	1,509	1,500	1,800	1,300
England . . £	359,838	235,054	251,007	260,000	194,000	194,000
TOTAL . £	360,439	235,834	252,516	261,500	195,800	195,300

138. Almost the whole of the expenditure recorded under this head is incurred in England. Leave allowances of officers paid in India are charged to the same head as their salaries, and the small sums shown against India represent leave allowances of officers lent to Foreign States, etc.

139. The Revised estimate for 1917-18 is less than the Budget by £65,700 owing to the number of officers on leave out of India being less than anticipated. The Budget estimate for 1918-19 practically repeats the Revised for the current year. *Revised, 1917-18.* *Budget, 1918-19.*

XXII AND 29.—SUPERANNUATION.

EXPENDITURE.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18. Budget.	1917-18. Revised.	Budget, 1918-19.
Imperial.						
1. India General	12,58,489	12,24,674	12,48,756	12,56,000	13,11,000	12,52,000
2. Delhi	1,77,034	1,96,313	2,05,131	1,75,000	1,84,000	2,04,000
3. Baluchistan	30,695	32,778	35,870	49,000	36,000	39,000
4. North-West Frontier	1,70,864	1,76,011	1,76,962	1,78,000	1,85,000	1,95,000
5. Other Provinces	1,03,652	99,598	94,401	94,000	97,000	98,000
TOTAL	17,40,734	17,29,374	17,61,120	17,52,000	18,13,000	17,88,000
Provincial.						
1. Madras	33,83,557	33,08,215	33,22,796	34,65,000	33,75,000	35,65,000
2. Bombay	38,24,933	38,59,390	39,32,784	39,27,000	41,27,000	43,10,000
3. Bengal	31,98,648	31,41,809	33,01,098	34,11,000	34,02,000	35,30,000
4. United Provinces	36,11,280	35,97,913	37,47,233	38,76,000	38,83,000	40,16,000
5. Punjab	22,61,743	23,15,418	24,24,463	26,68,000	25,80,000	27,20,000
6. Burma	10,72,693	10,97,040	11,42,758	11,70,000	12,23,000	12,86,000
7. Bihar and Orissa	9,21,218	10,02,672	10,08,155	10,66,000	10,06,000	10,06,000
8. Central Provinces	8,88,283	9,61,856	10,30,669	10,83,000	11,17,000	11,43,000
9. Assam	3,08,095	3,35,677	3,41,042	3,45,000	3,27,000	3,45,000
TOTAL	1,94,70,450	1,96,19,990	2,02,50,998	2,10,11,000	2,10,40,000	2,19,21,000
TOTAL INDIA ₹	2,12,11,184	2,13,49,364	2,20,12,118	2,27,63,000	2,28,53,000	2,37,09,000
Equivalent in Sterling £	1,414,079	1,423,291	1,467,475	1,517,500	1,523,500	1,580,600
England £	2,065,655	2,046,992	2,008,225	2,018,000	1,989,000	1,991,000
TOTAL £	3,479,734	3,470,283	3,475,700	3,535,500	3,512,500	3,571,600

REVENUE.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18. Budget.	1917-18. Revised.	Budget, 1918-19.
Imperial.						
1. India General	3,87,694	3,55,112	3,91,438	3,76,000	3,53,000	3,63,000
2. Delhi	3,923	3,756	3,645	4,000	4,000	4,000
3. Baluchistan	5,099	5,458	4,798	5,000	7,000	8,000
4. North-West Frontier	21,324	20,089	26,956	23,000	28,000	28,000
5. Other Provinces	10,19,025	10,52,668	10,30,325	10,34,000	10,62,000	10,72,000
TOTAL	14,37,065	14,37,083	14,57,162	14,42,000	14,54,000	14,75,000
Provincial.						
1. Madras	1,05,362	1,21,255	1,26,996	1,23,000	1,23,000	1,20,000
2. Bombay	4,55,430	4,53,041	4,59,312	4,33,000	4,68,000	4,68,000
3. Bengal	58,567	54,583	59,011	56,000	56,000	56,000
4. United Provinces	89,365	98,638	1,06,055	1,20,000	93,000	1,00,000
5. Punjab	82,867	1,01,870	89,572	80,000	90,000	90,000
6. Burma	18,283	23,692	23,704	20,000	26,000	24,000
7. Bihar and Orissa	31,838	31,716	40,058	40,000	46,000	46,000
8. Central Provinces	1,78,420	2,27,244	2,32,931	2,28,000	2,54,000	2,60,000
9. Assam	5,259	6,232	5,877	6,000	6,000	6,000
TOTAL	10,25,391	11,18,271	11,43,516	11,06,000	11,62,000	11,70,000
TOTAL INDIA ₹	24,62,456	25,55,354	26,00,678	25,48,000	26,16,000	26,45,000
Equivalent in Sterling £	164,164	170,357	173,379	169,900	174,400	176,300
England £	49,071	43,570	46,486	46,200	39,600	38,100
TOTAL £	213,235	213,927	219,865	216,100	214,000	214,400

140. The figures of Imperial revenue shown against "Other Provinces" represent the receipts of certain abolished funds, the assets and liabilities of which were taken over by the Government, as well as the subscriptions paid by members of the Indian Civil Service for securing certain pensionary benefits for their families. The charges on account of such pensions as well as of the pensions of the abolished funds are recorded in the accounts as Imperial expenditure.

EXPENDITURE.

(*a*) *Imperial—India and England.*

141. The expenditure in the current year will be less than the Budget by R3·74 lakhs, the decrease occurring in England in the pensions of retired officers of the Uncovenanted Service and in the annuities and pensions payable from the Indian civil, military and medical funds. The Budget estimate for 1918-19 closely follows the Revised for the current year. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

142. The Revised estimate for 1917-18 does not differ materially from the Budget, a rise in payments in Bombay owing to an increase in the amounts of new pensions sanctioned being set off by lapses in some other provinces. The Budget estimate for 1918-19 provides for the normal growth of the retired list. *Revised, 1917-18.* *Budget, 1918-19.*

REVENUE.

(*a*) *Imperial.*

143. The decrease of R·87 lakh in the Revised estimate for the current year as compared with the Budget occurs in England and is due to smaller payment of leave allowances and a consequent reduction in the recoveries of subscriptions towards the Indian Civil Service family pensions. The Budget estimate for 1918-19 closely follows the Revised for the current year. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

144. The variations are unimportant.

XXIII AND 30.—STATIONERY AND PRINTING.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. Central Stationery Office	2,32,764	2,46,159	2,58,897	2,61,000	2,61,000	2,63,000
2. Stationery purchased for Central stores.	41,38,635	42,46,143	54,16,264	62,83,000	83,33,000	76,40,000
3. Government Presses (mainly Calcutta, Simla and Delhi)	17,98,939	19,74,654	21,05,774	20,90,000	22,26,000	22,74,000
4. Other charges	9,390	8,771	7,257	8,000	8,000	8,000
5. *Deduct*—Value of supplies to Local Governments and Administrations and to Postal and Telegraph Department, etc.	—49,10,365	—49,78,824	—50,71,168	—53,56,000	—59,42,000	—63,86,000
6. Delhi	11,256	16,173	14,167	15,000	14,000	16,000
7. Baluchistan	2,513	1,518	1,792	3,000	2,000	3,000
8. North-West Frontier	1,12,161	1,08,548	1,19,722	1,22,000	1,23,000	1,35,000
TOTAL	13,94,793	16,23,142	28,52,705	34,26,000	50,25,000	39,53,000
Provincial.						
1. Madras	14,79,937	14,84,731	12,91,963	15,75,000	14,22,000	14,63,000
2. Bombay	15,34,087	12,43,301	14,71,781	12,80,000	13,90,000	17,22,000
3. Bengal	12,69,717	13,01,451	12,91,585	13,29,000	14,34,000	14,38,000
4. United Provinces	9,78,237	9,89,632	9,10,169	11,28,000	9,13,000	10,50,000
5. Punjab	7,70,683	7,64,981	7,02,966	8,47,000	7,77,000	8,15,000
6. Burma	7,29,399	6,89,804	6,75,068	6,85,000	6,91,000	8,41,000
7. Bihar and Orissa	5,55,141	6,58,811	6,59,629	6,43,000	7,41,000	7,73,000
8. Central Provinces	4,01,092	3,70,289	3,37,940	3,56,000	3,88,000	4,13,000
9. Assam	1,69,788	1,78,528	1,64,963	1,71,000	1,69,000	1,83,000
TOTAL	78,88,081	76,81,528	75,06,064	80,14,000	79,25,000	86,98,000
TOTAL INDIA ₹	92,82,874	93,04,670	1,03,58,769	1,14,40,000	1,29,50,000	1,26,51,000
Equivalent in Sterling £	618,859	620,311	690,584	762,700	863,300	843,400
England { Stores £	105,818	103,703	109,933	89,100	107,000	97,000
England { Other charges £	7,589	7,030	6,521	9,500	11,500	11,500
TOTAL £	732,266	731,044	807,038	861,300	981,800	951,900

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	4,68,362	4,35,460	4,39,243	2,96,000	3,79,000	3,82,000
2. Delhi	4,479	4,937	2,804	4,000	8,000	8,000
3. Baluchistan	71	363	144	...	1,000	...
4. North-West Frontier	23,666	17,730	23,759	23,000	29,000	29,000
5. Other Provinces	1,90,986	1,06,617	1,48,612	1,89,000	1,44,000	1,66,000
TOTAL	6,87,564	5,65,107	6,14,562	5,12,000	5,61,000	5,85,000
Provincial.						
1. Madras	1,26,551	1,24,084	1,23,057	1,23,000	1,47,000	1,25,000
2. Bombay	1,24,721	1,32,827	1,47,989	1,27,000	1,70,000	1,70,000
3. Bengal	1,49,604	1,33,395	1,49,799	1,38,000	1,31,000	1,22,000
4. United Provinces	1,54,113	1,61,901	1,57,624	1,67,000	1,76,000	1,67,000
5. Punjab	79,627	81,573	1,13,076	1,14,000	85,000	93,000
6. Burma	47,328	48,153	46,962	50,000	55,000	50,000
7. Bihar and Orissa	30,478	21,895	26,913	25,000	26,000	27,000
8. Central Provinces	57,202	62,554	55,990	43,000	52,000	52,000
9. Assam	6,718	5,511	4,534	5,000	5,000	5,000
TOTAL	7,76,342	7,71,893	8,25,944	7,92,000	8,47,000	8,11,000
TOTAL INDIA ₹	14,63,906	13,37,000	14,40,506	13,04,000	14,08,000	13,96,000
Equivalent in Sterling £	97,594	89,134	96,034	86,900	93,800	93,100

EXPENDITURE.

(*a*) *Imperial—India and England.*

145. The total Imperial expenditure in 1917-18, exclusive of the charges of the commercial departments, is likely to exceed the Budget provision by R18·97 lakhs, the rise being due mainly to a larger purchase of stationery to meet an increased demand and higher prices. A small excess is also anticipated in the outlay on the Government presses. The Budget estimate for 1918-19 provides for some reduction of the expenditure on stationery. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Provincial.*

146. The Revised estimate for 1917-18 is less than the Budget by R·89 lakh as the result of variations in several provinces, mainly in the cost of stationery supplied from central stores. The Budget estimate for 1918-19 provides for sanctioned establishments and for an increase in the outlay on stationery in all provinces owing to continued high prices. *Revised, 1917-18.* *Budget, 1918-19.*

REVENUE.

147. The Imperial revenue shown against "Other Provinces" represents recovery of the value of stationery supplied to railways and to municipalities and other local bodies. The Revised estimate of Imperial revenue for 1917-18 provides for an increase in the recoveries for supplies of stationery with reference to present prices. The figures do not otherwise show any important variation.

XXIV AND 31.—EXCHANGE.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18.		Budget, 1918-19.
				Budget.	Revised.	
Revenue . . ₹	25,942	11,13,815	16,70,564	...	1,50,00,000	...
Equivalent in Sterling £	1,729	74,254	111,371	...	1,000,000	...
Expenditure . . ₹	...	...	...	...	...	...
Equivalent in Sterling £	...	...	...	...	...	...

148. This head normally records the comparatively small sums which have to be brought to account owing to the fact that the remittances from India to England by means of council bills and transfers, and the remittances in the opposite direction by sterling bills and transfers, are not effected exactly at the rate of 16 pence to the rupee. It may be mentioned that any gain derived from remittances on account of the Gold Standard Reserve is credited to the Reserve and not to general revenues.

Revised, 1917-18.

149. During the current year, Council drafts have been sold by the Secretary of State at fixed rates, which stood at 1*s.* 4$\frac{1}{4}$*d.* per rupee in the case of immediate telegraphic transfers and 1*s.* 4$\frac{5}{32}$*d.* per rupee in the case of deferred transfers and bills till the close of August, when they were raised to 1*s.* 5*d.* and 1*s.* 4$\frac{29}{32}$*d.* respectively. These high rates realised by the Secretary of State for drafts on India result in a gain of ₹1,63 lakhs from exchange, apart from a small sum (₹6·45 lakhs) creditable to the Gold Standard Reserve. The rate of 1*s.* 5*d.* per rupee has also been adopted in the latter part of the year for postal and money order transactions with countries having a sterling exchange, for recoveries in respect of funds supplied in India on behalf of Colonial Governments, and some other miscellaneous transactions. There will be a further gain of about ₹40 lakhs from these sources. On the other hand, a loss of ₹20 lakhs is anticipated from the provision of funds for political and military expenditure in Persia. It has also been decided to adjust under this head by deduction from the gain by exchange the actual loss sustained on some of our rupee coinage by reason of high silver prices. This loss, which arises when the outturn in rupees is less than the purchase price of the silver *plus* the cost of coinage, is estimated for the current year at ₹33 lakhs, the net gain from exchange thus amounting to ₹1,50 lakhs. In the Budget estimate for the next year no provision is made, following usual practice, for either a gain or a loss from exchange.

Budget, 1918-19.

XXV AND 32.—MISCELLANEOUS.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1 Remittance charges mainly in connection with movements of Government funds	5,27,011	4,76,511	8,64,201	6,36,000	7,94,000	7,46,000
2. Special Commissions of enquiry	3,23,849	81,815	3,02,976	1,98,000	3,92,000	1,61,000
3. Charges arising out of the War adjusted in the Civil Department	1,15,204	9,61,419	17,65,720	6,04,000	8,18,000	7,28,000
4. Other charges:						
(*a*) in Delhi	88,170	42,081	63,041	1,00,000	57,000	1,07,000
(*b*) in the N.-W. Frontier Province	46,078	68,803	40,978	40,000	39,000	54,000
(*c*) elsewhere	15,73,432	5,55,300	7,65,777	6,23,000	19,13,000	8,96,000
Total	26,73,744	21,85,929	38,02,693	22,01,000	40,13,000	26,92,000
Provincial.						
1. Madras	4,19,234	4,72,977	4,29,201	4,38,000	4,41,000	13,81,000
2. Bombay	6,20,129	7,84,861	4,51,138	6,62,000	5,39,000	7,36,000
3. Bengal	4,38,208	6,38,467	2,47,836	11,09,000	3,37,000	9,14,000
4. United Provinces	2,26,402	3,31,528	2,35,345	6,16,000	2,22,000	12,31,000
5. Punjab	4,43,698	3,66,504	5,26,596	11,75,000	14,76,000	20,94,000
6. Burma	4,85,695	5,00,527	4,93,191	4,79,000	4,84,000	4,88,000
7. Bihar and Orissa	1,40,776	1,32,347	1,35,589	2,53,000	2,35,000	2,56,000
8. Central Provinces	1,62,041	1,55,930	1,31,932	1,84,000	1,74,000	4,57,000
9. Assam	4,23,223	5,22,429	5,16,300	5,66,000	4,66,000	5,10,000
Total	33,59,406	39,05,570	31,67,128	54,82,000	43,74,000	80,67,000
TOTAL INDIA . R	60,33,150	60,91,499	69,69,821	76,83,000	83,87,000	1,07,59,000
Equivalent in Sterling £	402,210	406,100	464,655	512,200	559,200	717,300
England . . £	128,114	66,339	206,395	38,300	441,000	28,000
TOTAL . £	530,324	472,439	671,050	550,500	1,000,200	745,300

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	20,78,670	5,03,774	7,83,302	*80,22,000	1,18,45,000	1,05,93,000
2. Delhi	45,390	39,675	3,45,231	1,87,000	1,88,000	1,04,000
3. Baluchistan	14,992	5,507	7,292	5,000	12,000	5,000
4. North-West Frontier	1,19,089	1,46,320	1,58,418	1,24,000	1,57,000	1,54,000
5. Other Provinces	4,43,531	7,11,401	17,02,425	5,04,000	11,82,000	6,99,000
TOTAL	27,01,672	14,06,677	29,96,668	88,42,000	1,33,84,000	1,15,55,000
Provincial.						
1. Madras	2,24,891	3,59,256	3,43,096	3,12,000	3,04,000	3,12,000
2. Bombay	1,02,969	1,22,590	2,42,862	1,08,000	1,47,000	1,31,000
3. Bengal	6,71,057	5,65,208	7,51,242	6,58,000	6,96,000	6,81,000
4. United Provinces	4,26,445	4,61,010	4,59,889	4,59,000	4,79,000	4,77,000
5. Punjab	4,17,971	4,29,630	5,29,774	5,46,000	6,64,000	6,38,000
6. Burma	74,187	1,70,546	1,00,464	87,000	90,000	91,000
7. Bihar and Orissa	4,03,161	3,12,385	3,07,033	2,38,000	3,21,000	2,73,000
8. Central Provinces	2,07,555	2,18,586	2,48,788	1,88,000	2,51,000	2,15,000
9. Assam	25,770	43,674	54,311	44,000	39,000	45,000
TOTAL	25,54,006	27,82,885	30,37,459	26,40,000	29,91,000	28,63,000
TOTAL INDIA . R	52,55,678	41,89,562	60,34,127	1,14,82,000	1,63,75,000	1,44,18,000
Equivalent in Sterling £	350,378	279,304	402,275	765,500	1,091,700	961,200
England . . £	14,814	22,869	17,985	174,500	200,400	26,500
TOTAL . £	365,192	302,173	420,260	940,000	1,292,100	987,700

* Includes R75 lakhs on account of freight-tax which was shown in the Budget estimate for 1917-18 under XXVI—State Railways—Gross Traffic Receipts."

150. Charges in connection with the remittance of Government treasure are Imperial in all provinces; so is the discount paid, or the premium levied, in connection with the sale of bills at treasuries and currency offices to facilitate trade remittances of funds. Extraordinary items of revenue realised, or of expenditure incurrred, under this head in the various provinces are also treated as Imperial, if they exceed ₹10,000 in amount. The proceeds of the freight tax on goods traffic by railways and inland steam vessels imposed in March 1917 are shown under Miscellaneous as Imperial receipts.

EXPENDITURE.

(*a*) *India—Imperial.*

Revised, 1917-18.

151. The Revised estimate for 1917-18 exceeds the Budget by ₹18·12 lakhs. A payment of ₹10·02 lakhs was made to the Mysore Durbar in respect of the surplus revenues of the Bangalore Assigned Tract for past years in consequence of a recalculation of education and sanitation charges in that area; provision for the payment was made in the Revised estimate for 1916-17, but it was deferred to the current year. An expenditure of ₹3·92 lakhs is expected on account of special commissions of enquiry, *viz.*, the Industrial Commission, the Calcutta University Commission, the Sedition Committee, the Coal Committee, the Public Works Reorganisation Committee, and the conferences on English teaching in secondary schools and agricultural education. Charges for the remittance of treasure will show a rise of ₹1·58 lakhs owing to heavy demands for rupees for trade purposes and military requirements, and the movements of coin thereby necessitated. Expenses on the repatriation of hostile aliens and on the transport "Golconda" and other miscellaneous items connected indirectly with the war will cause an excess of ₹2·14 lakhs over the Budget, while an outlay of ₹1·60 lakhs will be entailed in connection with the Secretary of State's visit. On the other hand, the bulk of the reserve provision of ₹1·15 lakhs for unforeseen charges in Baluchistan and Delhi, which was provided in the Budget under Miscellaneous, has been appropriated to meet sanctioned outlay under other heads of account.

Budget, 1918-19.

152. The Budget estimate for 1918-19 provides for some reduction in the charges for remittance of treasure; for miscellaneous expenditure connected with the war likely to be incurred in the ensuing year; for the probable outlay of the commissions of enquiry mentioned in the preceding paragraph; and for normal expenditure on other items. A reserve provision of ₹·50 lakh has been entered in Delhi for unforeseen requirements.

(*b*) *India—Provincial.*

Revised, 1917-18.

153. The Revised estimate for 1917-18 is less than the Budget by ₹11·08 lakhs. The decrease is mainly due to the record under other heads of account of most of the expenditure incurred against the lump grants for grain compensation allowance and against the various other reserves which were included in the Budget estimates of several provinces under Miscellaneous; and to a lapse in the allotment for relief of distress in Bengal and for gratuitous relief in Assam. On the other hand there have been special charges in Bengal in connection with the write-off of loans (₹1·45 lakhs) and in the Punjab (₹8·19 lakhs) on account of grants to district boards in connection with a scheme of consolidated grants, the Budget provision for which was included under Civil Works.

Budget, 1918-19.

154. The Budget estimate for 1918-19 provides generally for normal charges and for the usual reserves for unforeseen expenditure in most provinces. In Bengal, the Central Provinces and the United Provinces, lump allotments have again been made for grain compensation charges, and in the last province for other indirect famine expenditure also. A special allotment of ₹2 lakhs has been made in the same province for a contribution to the Kumaon District Board on account of profits from the Kumaon forests which are intended to be applied to the benefit of the inhabitants of the locality.

(c) *England.*

155. The increase in the Revised estimate of the current year as compared with the Budget represents mainly the value of stores lost in transit between England and India. The Budget estimate for 1918-19 makes no provision for possible losses.

Revenue.

(a) *India—Imperial.*

156. The Revised estimate for 1917-18 exceeds the Budget by R45·42 lakhs. The Revised includes a receipt of R96·55 lakhs from the freight-tax on goods carried by railways and inland steam vessels imposed in March 1917, for which a provision of R75 lakhs was included in the Budget under "State Railways : gross traffic receipts." There has also been a special receipt of R20·60 lakhs in connection with the acquisition of gold imported into India at the rate of R14-8 per £, the gain arising from the sale of raw gold in Bombay in the early part of the year and the provision of rupee credits in India in favour of Japanese merchants in return for a transfer of raw gold held in Bombay on behalf of the Bank of England. Apart from these special transactions, the increase occurs mainly in the special receipts from the sale of town sites in the Punjab, and in the receipts from the sales of bills owing to an increased demand for remittances of funds. The Budget estimate for 1918-19 provides for a growth of R4·02 lakhs in the proceeds of the freight-tax and for normal receipts in other respects.

Revised, 1917-18.

Budget, 1918-19.

(b) *India—Provincial.*

157. The total revenue in 1917-18 is likely to exceed the Budget estimate by R3·51 lakhs. The increase occurs in the credits to revenue on account of unclaimed deposits and under sale-proceeds of lands and houses in several provinces. The Budget estimate for 1918-19 provides generally for normal receipts.

Revised, 1917-18.

Budget, 1918-19.

(c) *England.*

158. The increase in the Revised estimate for 1917-18 as compared with the Budget is due to compensation received from the owners of a vessel, which collided with another carrying a cargo of wheat shipped by Government, and to large recoveries on account of inspection of stores by the Store Department of the India Office for other Government Departments. The Budget estimate for 1918-19 omits the former item as well as the special receipt in the current year from the profits of the wheat scheme.

Revised, 1917-18.

Budget, 1918-19.

33 to 36.—FAMINE RELIEF AND INSURANCE.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18. Budget.	1917-18. Revised.	Budget, 1918-19.
INDIA.						
Famine Relief { Imperial	26,43,201	9,61,881	21,11,427	6,33,000	74,000	4,54,000
Famine Relief { Provincial	15,55,076	1,58,539	7,02,827	2,11,000	24,000	1,52,000
Construction of Protective Railways	—19,669	—2,896	—7,146	—8,000	1,000	—8,000
Construction of Protective Irrigation Works	72,46,125	74,19,436	49,87,016	60,24,000	52,85,000	59,41,000
Reduction or Avoidance of Debt	33,01,723	63,79,580	71,88,879	78,64,000	95,95,000	83,02,000
TOTAL INDIA ₹	1,47,26,456	1,49,16,540	1,49,83,003	1,47,24,000	1,49,79,000	1,48,41,000
Equivalent in Sterling £	981,764	994,436	998,867	981,600	998,600	989,400
ENGLAND.						
Construction of Protective Irrigation Works.	18,236	5,564	1,133	18,400	1,400	10,600
TOTAL INDIA AND ENGLAND	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Revised, 1917-18.

159. The expenditure in the current year under the head Famine Relief is now estimated at ₹·98 lakh, the principal items being an outlay of (1) ₹·50 lakh in the Punjab in connection with fodder concessions, and (2) ₹·21 lakh in Bihar and Orissa and ₹·20 lakh in Assam on relief operations in certain districts.

160. The amount available for famine insurance in 1917-18 accordingly amounts to ₹149·02 lakhs of which ₹53·07 lakhs will be spent on protective works and ₹95·95 lakhs will be appropriated for the reduction or avoidance of debt.

Budget, 1918-19.

161. In the Budget estimate for 1918-19 provision has been made as usual for a total grant of ₹150 lakhs under this group head. Out of this amount, a sum of ₹6·06 lakhs will be required to meet expenditure debitable to the head Famine Relief in connection mainly with fodder concessions in the Punjab, and ₹60·92 lakhs have been allotted for the construction of protective works. The remainder, *viz.*, ₹83·02 lakhs, will be utilised for the avoidance of debt.

Construction of Protective Railways.

162. The small *minus* figure entered in the Budget estimate for 1918-19 represents the excess in the sale-proceeds of surplus stores of the Dharmapuri-Hosur extension of the Morappur-Dharmapuri Railway over the outlay during the year. The small outlay in the Revised estimate for 1917-18 arises from a reduction in the sales of stores.

Construction of Protective Irrigation Works.

Revised, 1917-18.

163. In the Budget estimate for 1917-18 an allotment of ₹63 lakhs was made for outlay on Protective Irrigation works, the whole amount being met from the Famine Insurance grant. The probable expenditure, according to the Revised estimate, will amount to ₹53·06 lakhs owing mainly to slower progress of work on the Nira Right Bank canal in Bombay, the Tandula canal and certain tank projects in the Central Provinces and the Tribeni canal in Bihar and Orissa. The entire outlay will be recorded in the Famine Relief and Insurance section of the accounts.

164. In the Budget estimate for 1918-19, the allotment for Protective Irrigation works is taken at ₹61 lakhs, the whole amount being met from the Famine Insurance grant. The distribution of the grant of ₹61 lakhs is given in the table below. *Budget, 1918-19.*

	1917-18.		Budget, 1918-19.
	Budget.	Revised.	
1. Madras:	₹	₹	₹
(i) Mopad project	2,00,000	1,87,000	1,85,000
(ii) Other projects	67,000	61,000	43,000
2. Bombay:			
(i) Godaveri Canal	64,000	45,000	20,000
(ii) Chankapur Tank	55,000	16,000	37,000
(iii) Pravara river project	8,88,000	9,12,000	10,52,000
(iv) Nira Right Bank Canal	21,19,000	17,06,000	19,26,000
(v) Other projects, etc.	1,74,000	82,000	1,65,000
3. Bengal	1,000	1,000	5,000
4. United Provinces:			
(i) Barwar Lake and Canal	1,87,000	65,000	88,000
(ii) Betwa Canal	16,000	13,000	23,000
(iii) Ghaggar Canal	3,75,000	5,51,000	63,000
(iv) Bhatkhara Tank	...	2,000	1,37,000
(v) Other projects, etc.	1,22,000	82,000	1,24,000
5. Bihar:			
(i) Tribeni Canal	2,16,000	1,06,000	2,13,000
(ii) Other projects, etc.	9,000	13,000	2,000
6. Central Provinces:			
(i) Tandula Canal	10,41,000	8,72,000	8,96,000
(ii) Tank projects	7,81,000	4,67,000	5,15,000
(iii) Other projects, etc.	1,28,000	1,18,000	1,69,000
7. Minor administrations	7,000	7,000	8,000
8. Reserve provision	...	...	4,29,000
Deduct—Allowance for possible lapses in grants	*2,00,000*	...	...
TOTAL	63,00,000	53,06,000	61,00,000

XXVI to XXVIII and 38 to 41—RAILWAY REVENUE ACCOUNT.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18.		Budget, 1918-19.
				Budget.	Revised.	
STATE RAILWAYS—	R	R	R	R	R	R
Gross Receipts	54,15,77,506	57,26,42,888	62,94,69,001	62,00,89,000*	68,41,08,000	70,50,08,000
Deduct—						
Working Expenses	29,52,87,164	29,53,00,146	29,96,86,445	31,35,00,000	31,00,00,000	34,56,64,000
Surplus profits paid to Companies, etc.	1,03,63,467	90,57,411	1,15,56,624	1,17,00,000	1,49 00,000	1,60,00,000
Net Receipts	23,59,26,875	26,82,85,331	31,82,25,932	29,48,89,000	35,92,08,000	34,33,44,000
Net Revenue equivalent at R15=£1	£ 15,728,458	£ 17,885,689	£ 21,215,062	£ 19,659,200	£ 23,947,200	£ 22,889,600
Interest and capital redemption charges—						
Interest on Debt	7,814,441	7,923,670	7,660,850	8,034,400	7,729,400	7,834,300
Annuities in purchase of Railways	3,357,665	3,357,691	3,357,650	3,357,700	3,357,700	3,357,600
Sinking Funds	199,554	208,893	323,647	230,000	333,600	242,300
Interest chargeable against Companies on advances	97,773	98,953	98,472	98,300	98,400	98,600
Interest on Capital deposited by Companies	1,986,467	2,131,862	2,225,940	2,275,600	2,264,700	2,188,700
	13,455,900	13,721,069	13,666,559	13,996,000	13,783,800	13,722,000
Net Result	2,272,558	4,164,620	7,548,503	5,663,200	10,163,400	9,167,600
Other Receipts	70,691	91,414	98,735	93,800	104,400	94,100
Other Charges	185,215	180,596	165,363	151,400	93,000	60,000
Net Result	—114,524	—89,182	—66,628	—57,600	11,400	34,100
TOTAL NET RESULT	2,158,034	4,075,438	7,481,875	5,605,600	10,174,800	9,201,700
Redemption of capital from revenue	898,776	929,426	961,160	994,013	994,013	1,028,026
STATISTICS—						
State Railways—						
Capital Expenditure to March 31st—						
Expenditure by Government†	236,266,689‡	237,571,142	239,446,931	242,091,142	242,971,131	246,925,731
Expenditure by Companies	29,078,860‡	28,794,278	28,900,629	29,386,878	29,026,929	29,524,829
Outlay on the East Indian Railway from Debentures raised by the Company	14,587,268	18,046,847	18,046,847	18,046,847	18,046,847	18,046,847
Outlay on the South Indian Railway by the Company	3,809,060	3,809,060	3,809,060	3,809,060	3,309,060	3,059,060
Outlay on the Bombay, Baroda and Central India Railway by the Company	1,080,697	1,093,364	1,093,364	1,093,364	1,093,364	1,093,364
Outlay on the Great Indian Peninsula Railway by the Company	3,253,158	3,253,158	3,253,158	3,253,158	3,253,158	3,253,158
TOTAL	288,075,732	292,567,849	294,549,989	297,680,449	297,700,489	301,902,989
Miles open on the 1st April	26,106	26,369	26,433	26,580	26,572	26,612

*Excludes R75 lakhs on account of Freight Tax, which was originally included in the Budget estimate under this head. It is now shown under the head "XXV—Miscellaneous—Freight Tax."

†The figures against this line include contribution by the Jaipur Darbar towards Capital outlay on the Nagda-Muttra Railway, as follows:—

£	£	£	£	£	£
333,333	400,000	466,667	533,333	533,333	566,667

‡The overdraft of, and advances to, the Bengal-Nagpur Railway Company amounting to £13,451,400 on the 31st December 1910 have been transferred in the accounts of 1914-15, from "expenditure by companies" to "expenditure by Government".

165. The Gross Receipts and Working Expenses of State Railways include the following figures on account of the Jorhat State Railway in Assam. This is the only line the transactions of which are recorded in the Provincial section of the accounts :—

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
	R	R	R	R	R	R
Gross Receipts . . .	1,27,545	1,53,781	1,65,389	1,51,000	1,49,000	1,50,000
Working Expenses . .	1,27,109	1,01,834	1,01,641	1,21,000	1,21,000	1,30,300

Revised, 1917-18.

Gross Receipts.

166 The Budget estimate of Gross Receipts for 1917-18 was taken at R62 crores, exclusive of the receipts from Freight tax, or R20 lakhs lower than the probable receipts of the previous year as then estimated. It was based on the assumption that the reductions effected in passenger train services would result in some diminution of earnings and that the favourable circumstances of the year 1916-17 might not be wholly repeated. Allowance was however made for development of traffic on new lines and extensions of recent construction. The result has proved much more favourable than was anticipated, and the Revised estimate is now placed at R68·25 crores, or R6·25 crores higher than the Budget. This substantial improvement occurs on almost all the principal railways and is attributable mainly to larger receipts from the carriage of troops and military stores, and from wheat and coal traffic. The enhancement of fares and freights and the withdrawal of concessions have also contributed to a certain extent to the exceptionally good earnings of the current year. The balance of the increase in the Revised estimate of gross receipts as shown in the table on the preceding page occurs in the transactions of Railway Sinking Funds in England, and is set off by a corresponding excess in expenditure—*vide* paragraph 172.

Working Expenses.

167. The Revised estimate of Working Expenses for 1917-18 stands at R35 lakhs below the Budget estimate, a remarkable result considering that receipts are expected to exceed the Budget by R6 25 crores. The cause of the reduction is to be found in the increasing difficulty of obtaining railway material from England in consequence of which repairs and renewals of permanent-way and rolling-stock have been considerably restricted.

Surplus Profits.

168. The increase of R32 lakhs in the provision for payment of surplus profits to companies follows on the improvement in their net earnings in the last quarter of the preceding year.

Budget, 1918-19.

Gross Receipts.

169. The Budget estimate of Gross Receipts for 1918-19 is taken at R70·50 crores, or R2·25 crores higher than the Revised estimate of the current year. It is anticipated that the favourable conditions of traffic which have contributed so largely to the earnings of the current year will be fully maintained in the ensuing year and that the enhancements of fares and freights introduced for the most part during 1917 will in 1918-19 affect the receipts of the whole year and consequently add more to the total of receipts than they have done this year. Allowance has also been made for development of traffic and for additional earnings from new lines and extensions.

Working Expenses.

170. The grant for Working Expenses in 1918-19 is more than the Revised for the current year by R356·64 lakhs, the increase being due partly to the larger traffic anticipated and partly to a larger programme of special repairs and renewals than in the current year. It also provides for the temporary enhancement of pay of railway subordinates recently sanctioned.

Surplus Profits.

171. Under Surplus Profits paid to companies there is an increase of R11 lakhs due to the profits earned in the second half of the current year, payment of which will be made next year, being larger than those of the second half of 1916-17.

Interest Charges, etc.

Revised, 1917-18.

172. The decrease under Interest on debt is explained in paragraph 67. The excess under sinking funds is due to the realisation of 4½ per cent. War Loan and consequent purchase of India stock for cancellation.

Budget, 1918-19. The decrease in the total Interest charges in 1918-19 is due to smaller provision under Sinking Funds and Interest on capital deposited by companies.

Other receipts.

173. The receipts shown under this head represent recoveries from the Travancore Durbar of its share of the loss on the Travancore branch of the South Indian Railway; the Government share of the surplus profits of the Rohilkund and Kumaon, Southern Punjab, Amritsar-Patti and Hardwar-Dehra Railways, payable under the terms of their respective contracts, and *Revised, 1917-18.* dividends on certain shares of the Ahmedabad-Dholka Railway allotted to Government in repayment of expenditure incurred by it on behalf of the *Budget, 1918-19.* railway. The improvement of £10,600 on the Budget estimate of receipts in the current year and the decrease of £10,300 provided for in the Budget of 1918-19 are mainly due to variations in the recovery from the Travancore Durbar and in the Government share of surplus profits of the Southern Punjab Railway Company.

Other charges.

174. These consist of cost of land required by certain Companies, the contracts with which provide for the free supply of land wanted for the purposes of the railways undertaken by them, and of miscellaneous items such as surveys and controlling establishments (including the Railway Board). A share of the cost of control is charged to the working expenses of each Railway Company and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The figures are:—

	Accounts, 1916-17.	1917-18.		1918-19.
		Budget.	Revised.	Budget.
Imperial.	R	R	R	R
1. Subsidised Companies—Land .	24,23,158	19,00,000	10,90,000	4,90,000
2. Miscellaneous Expenditure .	43,657	3,55,000	2,95,000	3,99,000
Provincial.				
1. Subsidised Companies—Land .	13,603	10,000	10,000	10,000
2. Miscellaneous Expenditure .	14	5,000	1,000	1,000
TOTAL . R	24,80,432	22,70,000	13,96,000	9,00,000
TOTAL . £	165,363	151,400	93,000	60,000

Revised, 1917-18. *Land.*—A lapse of R8·10 lakhs is expected in the Imperial Budget grant for the current year, due chiefly to short outlay on the Bengal and North Western, Mymensingh Bhairab Bazar and Darjeeling Himalayan Railways, to smaller payment of rebate to the Guzerat Railways and to the postponement of acquisition of land for the Chaparmukh Silghat, Tenali Repali and Bengal Duars Railways for which an aggregate provision of R·70 lakh was made in the Budget. These decreases have been partly counterbalanced by outlay on *Budget, 1918-19.* certain Railways for which no Budget provision was made. The principal allotments made in 1918-19 are for the Bengal and North-Western Railway and for the payment of rebate to the Guzerat Railways.

Revised, 1917-18. *Miscellaneous Expenditure.*—The Revised estimate for 1917-18 shows a small lapse of R·60 lakh. The Budget for 1918-19 is made up as follows:—

Budget, 1918-19.

	R
Allotment for surveys	5,84,000
Charges for Railway Board and other establishments .	14,59,000
Less—Recoveries from Railway Companies on account of cost of supervision	*16,44,000*
TOTAL .	3,99,000

XXIX—XXX AND 42, 42-A and 43.—IRRIGATION.

IRRIGATION.	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
MAJOR WORKS.	R	R	R	R	R	R
Revenue { Direct Receipts .	4,13,77,353	4,10,69,852	4,51,68,395	4,45,83,000	4,50,37,000	4,63,88,000
Revenue { Land Revenue .	2,50,17,962	2,66,05,805	2,74,06,628	2,78,73,000	2,78,88,000	2,88,21,000
Expenditure { Working Expenses .	1,93,40,897	2,06,23,801	2,02,67,917	2,08,69,000	2,11,25,000	2,20,35,000
Expenditure { Interest .	1,92,62,258	1,98,60,762	1,93,82,288	2,09,64,000	1,98,08,000	2,02,24,000
NET REVENUE IN INDIA . . R	2,77,92,160	2,71,91,094	3,29,17,818	3,06,23,000	3,19,92,000	3,29,50,000
Equivalent in Sterling £	1,852,811	1,812,740	2,194,521	2,041,500	2,132,800	2,196,600
Expenditure in England (mainly Interest) . £	125,379	127,299	120,585	128,600	120,800	121,000
NET REVENUE . £	1,727,432	1,685,441	2,073,936	1,912,900	2,012,000	2,075,600
CONSTRUCTION OF PROTECTIVE WORKS . £	59,863	12,632	...	...	...	...
MINOR WORKS.						
Receipts—Direct . .	38,19,224	40,10,525	47,59,342	44,23,000	46,95,000	45,97,000
Expenditure . .	1,49,28,446	1,32,28,564	1,17,76,139	1,37,50,000	1,32,48,000	1,48,51,000
NET EXPENDITURE IN INDIA . . . R	1,11,09,222	92,18,039	70,16,797	93,27,000	85,53,000	1,02,54,000
Equivalent in Sterling £	740,615	614,536	467,787	621,800	570,200	683,500
Expenditure in England £	253	290	437	...	...	400
NET EXPENDITURE £	740,868	614,826	468,224	621,800	570,200	683,900
STATISTICS OF MAJOR WORKS.						
Capital Outlay to March 31 . . . R	61,68,30,309	63,68,47,834	64,92,86,966	66,56,63,884	65,99,42,000	67,28,45,000
Equivalent in Sterling £	41,122,020	42,456,523	43,285,798	44,377,592	43,996,100	44,856,300

General Result.

Major Irrigation.

175. Taking India as a whole, the net revenue derived from Major Irrigation works in 1917-18 will exceed the Budget forecast by £99,100 (R14·86 lakhs). There will be a rise of R4·54 lakhs in the Direct Receipts and of R·15 lakh in the share of Land Revenue. There will also be a saving of R10·17 lakhs in the expenditure, *viz.*, a reduction of R12·73 lakhs in the interest charges, partly counterbalanced by an increase of R2·56 lakhs under Working Expenses. A further improvement of £63,600 (R9·55 lakhs) is expected in the net revenue in 1918-19. This allows for a rise of R22·84 lakhs in the gross revenue, made up of an increase of R13·51 lakhs in the Direct Receipts and of R9·33 lakhs in the share of Land Revenue. But a higher provision of R9·10 lakhs has been made for Working Expenses and there will also be a large growth of R4·19 lakhs in the interest charges. The net result under Minor Irrigation works in 1917-18 is better than the Budget estimate by £51,600 (R7·74 lakhs), the result of an increase of R2·72 lakhs in revenue and a saving of R5·02 lakhs in expenditure. The estimate for next year provides for a fall of R·98 lakh in the receipts and for a rise of R16·09 lakhs in expenditure.

Minor Irrigation.

176. The figures for Land Revenue due to Irrigation have already been examined in paragraphs 12 and 13 along with those for Land Revenue proper. The details of the other heads are exhibited in the following tables.

XXIX AND 42.—MAJOR WORKS.

Direct Receipts.

IRRIGATION.	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. North-West Frontier	8,24,856	8,11,044	9,61,716	13,11,000	12,09,000	13,34,000
2. United Provinces .	2,68,,03	5,46,513	4,86,060	4,29,000	4,07,000	4,95,000
3. Burma . .	11,14,152	13,90,045	13,53,235	17,18,000	16,10,000	16,55,000
4. Central Provinces .	98,812	97,982	1,31,820	2,06,000	1,00,000	2,48,000
Total .	23,06,523	28,45,584	29,32,851	36,64,000	33,86,000	37,32,000
Divided and Provincial.						
1. Madras . .	3,00,299	2,94,368	3,11,537	3,01,000	3,20,000	3,20,000
2. Bombay . .	16,85,235	16,11,897	16,81,144	16,05,000	14,38,000	17,87,000
3. Bengal . . .	2,53,9[illegible]	2,78,079	2,89,732	2,68,000	2,96,000	2,82,000
4. United Provinces .	99,87,724	95,14,39[illegible]	97,07,939	90,82,000	98,40,000	95,11,000
5. Punjab . .	2,43,97,210	2,38,05,079	2,71,15,784	2,71,03,000	2,72,07,000	2,81,66,000
6. Bihar and Orissa .	24,46,400	27,20,45[illegible]	25,29,408	25,00,000	25,50,000	26,00,000
Total	3,90,70,830	3,82,24,268	4,22,35,544	4,09,19,000	4,16,51,000	4,26,56,000
TOTAL ₹	4,13,77,353	4,10,69,852	4,51,68,395	4,45,83,000	4,50,37,000	4,63,88,000
Equivalent in Sterling £	2,758,490	2,737,991	3,011,227	2,972,200	3,002,500	3,092,500

WORKING EXPENSES.

Imperial.						
1. India General .	...	...	...	...	...	2,02,000
2. North-West Frontier	3,44,400	6,23,431	6,49,518	6,95,000	6,25,000	6,54,000
3. United Provinces .	4,46,691	4,72,541	4,78,031	5,00,000	5,67,000	5,92,000
4. Burma . . .	9,30,825	5,90,691	5,64,569	7,50,000	6,10,000	6,26,000
5. Central Provinces .	77,880	87,118	1,17,227	2,15,000	2,15,000	2,80,000
Total .	18,05,796	17,73,781	18,09,945	21,60,000	20,17,000	23,54,000
Divided and Provincial.						
1. Madras . .	25,16,067	22,36,368	19,69,410	22,50,000	21,90,000	23,00,000
2. Bombay . .	15,25,155	15,79,263	15,58,474	16,55,000	18,00,000	18,74,000
3. Bengal . . .	2,57,700	1,96,022	1,85,804	1,70,000	1,86,000	2,70,000
4. United Provinces .	30,17,065	29,70,190	29,46,301	30,42,000	30,08,000	30,57,000
5. Punjab . .	87,97,090	1,03,60,778	1,03,46,287	1,00,96,000	1,03,60,000	1,06,55,000
6. Bihar and Orissa .	14,21,024	15,17,399	14,51,696	14,96,000	15,64,000	15,25,000
Total .	1,75,35,101	1,88,50,020	1,84,57,972	1,87,09,000	1,91,08,000	1,96,81,000
TOTAL INDIA ₹	1,93,40,897	2,06,23,801	2,02,67,917	2,08,69,000	2,11,25,000	2,20,35,000
Equivalent in Sterling £	1,289,393	1,374,920	1,351,194	1,391,300	1,408,300	1,469,000

DIRECT RECEIPTS.

(*a*) *Imperial.*

177. The Revised estimate for 1917-18 is less than the Budget by R2·78 lakhs. The decrease is mainly due to the receipts from the Upper Swat River Canal in the North-West Frontier Province and the Twante Canal in Burma, both of which were recently opened for irrigation, not having been as favourable as anticipated. The Budget estimate for 1918-19 provides for a development of irrigation in these provinces and on the canals in the United Provinces and Central Provinces, and is R3·46 lakhs higher than the Revised for the current year. *Revised, 1917-18.* *Budget, 1918-19.*

(*b*) *Divided and wholly Provincial.*

178. The rise of R7·32 lakhs in the Revised estimate for the current year as compared with the Budget is due mainly to a large increase in the area under irrigation in the United Provinces (R7·58 lakhs) during both the *rabi* and the *kharif* seasons. An improvement of R1·01 lakhs is also expected in the Punjab, an increase in the revenue from the Upper and Lower Bari Doab Canals due to the same cause being partly counterbalanced by a decline in the receipts from the Sirhind and Upper Jhelum canals owing in the former case to the damage done to the *kharif* crop by excessive rains. The receipts in Bombay will, on the other hand, fall short of the Budget by R2·27 lakhs owing to a postponement of collections to the next year. *Revised, 1917-18.*

179. The Budget estimate for 1918-19 is based generally on the demand for *rabi* irrigation in the current year and on normal requirements in connection with the next year's *kharif* Increases of R9·49 and R3·49 lakhs are expected in the Punjab and Bombay owing to an expected development of irrigation in the former case from the projects recently completed and in the latter to the collection of revenue thrown forward from the current year, but there will be a fall of R3·29 lakhs in the United Provinces in consequence of an anticipated reduction in the demand for canal water for the *rabi* cultivation in the current year. *Budget, 1918-19.*

WORKING EXPENSES.

(*a*) *Imperial.*

180. The total expenditure in 1917-18 is likely to fall short of the Budget provision by R1·43 lakhs. The saving occurs mainly in the expenditure on the Twante canal in Burma in consequence of a reduced demand for irrigation. A minor lapse in the North-West Frontier (R·70 lakh) is nearly set off by an excess in the United Provinces (R·67 lakh). *Revised, 1917-18.*

181. The Budget estimate for 1918-19 is R3·37 lakhs more than the Revised for the current year. It provides for normal charges in all the provinces and includes a reserve provision of R2·02 lakhs for unforeseen requirements. *Budget, 1918-19.*

(*b*) *Divided and wholly Provincial.*

182. The Revised estimate for 1917-18 will exceed the Budget by R3·99 lakhs. There will be an increase of R2·64 lakhs in the Punjab and of R1·45 lakhs in Bombay owing to extensive repairs necessitated by an abnormal rainfall, and larger establishment charges in consequence of a revision of the method of allocating them between the revenue and capital heads. A minor excess in Bihar and Orissa will be met from savings in Madras and the United Provinces. *Revised, 1917-18.*

183. The Budget estimate for 1918-19 provides for extensions and improvements of irrigation works in almost all provinces and is R5·73 lakhs more than the Revised estimate for the current year. *Budget, 1918-19.*

42A.—EXPENDITURE ON PROTECTIVE IRRIGATION WORKS IN ADDITION TO THAT CHARGED UNDER FAMINE RELIEF AND INSURANCE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
				Budget.	Revised.	
India . . ₹	8,97,948	1,89,478	...	...	...	...
Equivalent in Sterling £	59,863	12,632	...	...	...	...

184. No supplementary expenditure on protective irrigation works is anticipated under this head either in the current or the next year, as explained in paragraphs 163 and 164.

XXX AND 43.—MINOR WORKS AND NAVIGATION.

Revenue.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General	14,597	16,907	15,172	29,000	23,000	32,000
2. Delhi	837	1,384	2,599	3,000	4,000	1,000
3. Baluchistan	64,769	21,784	79,709	38,000	57,000	44,000
4. Punjab	9,28,866	8,89,685	9,59,765	9,42,000	10,75,000	9,71,000
Total	10,09,069	9,29,760	10,57,245	10,12,000	11,59,000	10,48,000
Divided and Provincial.						
1. Madras	2,28,844	2,59,506	2,79,490	2,54,000	2,97,000	2,73,000
2. Bombay	3,76,968	3,36,511	3,46,939	3,75,000	3,50,000	3,75,000
3. Bengal	5,35,916	6,80,544	8,34,377	8,10,000	8,37,000	8,10,000
4. United Provinces	1,88,426	1,98,639	2,85,386	2,49,000	2,81,000	2,62,000
5. Punjab	53,117	67,070	63,246	96,000	1,24,000	1,03,000
6. Burma	13,02,403	14,23,731	16,90,753	15,00,000	15,30,000	16,00,000
7. Bihar and Orissa	72,583	67,098	70,828	70,000	72,000	72,000
8. Central Provinces	51,898	47,616	59,074	57,000	45,000	54,000
9. Assam	...	...	72,004	...	...	...
Total	28,10,155	30,80,765	37,02,097	34,11,000	35,36,000	35,49,000
TOTAL R	38,19,224	40,10,525	47,59,342	44,23,000	46,95,000	45,97,000
Equivalent in Sterling £	254,615	267,368	317,289	294,900	313,000	306,500

Expenditure.

Imperial.						
1. India General	52,022	71,792	62,434	4,33,000	82,000	1,63,000
2. Delhi	1,198	1,043	1,593	1,000	...	1,000
3. Baluchistan	3,02,477	2,84,076	2,93,454	1,36,000	1,67,000	1,61,000
4. North-West Frontier	43,475	33,282	39,457	49,000	49,000	50,000
5. Punjab	9,98,049	9,11,895	8,07,631	8,67,000	8,40,000	9,31,000
Total	13,97,221	13,02,088	12,04,569	14,86,000	11,38,000	13,06,000
Divided and Provincial.						
1. Madras	44,09,655	38,17,049	35,70,915	41,00,000	42,35,000	42,25,000
2. Bombay	31,69,245	30,89,517	24,97,981	31,22,000	27,81,000	32,69,000
3. Bengal	27,61,008	22,96,494	20,04,123	22,43,000	22,92,000	27,02,000
4. United Provinces	5,02,805	4,01,417	3,28,489	2,76,000	3,64,000	6,33,000
5. Punjab	1,82,198	2,02,446	2,63,712	3,55,000	3,03,000	1,95,000
6. Burma	11,94,795	11,62,984	12,24,578	12,29,000	14,50,000	17,15,000
7. Bihar and Orissa	3,37,090	2,83,550	2,47,981	3,43,000	2,18,000	3,09,000
8. Central Provinces	9,06,729	5,77,173	3,81,718	5,56,000	4,29,000	4,55,000
9. Assam	67,700	95,846	073	40,000	38,000	42,000
Total	1,35,31,225	1,19,26,476	1,05,71,570	1,22,64,000	1,21,10,000	1,35,45,000
TOTAL INDIA R	1,49,28,446	1,32,28,564	1,17,76,139	1,37,50,000	1,32,48,000	1,48,51,000
Equivalent in Sterling £	995,230	881,904	85,076	916,600	883,200	990,000
England £	253	290	437	...	...	400
GRAND TOTAL £	995,483	882,194	785,513	916,600	883,200	990,400

REVENUE.

(*a*) *Imperial.*

Revised, 1917-18. 185. The Revised estimate for 1917-18 exceeds the Budget by R1·47 lakhs owing mainly to more extended irrigation in the Punjab than anticipated.

Budget, 1918-19. The Budget estimate for 1918-19 provides for normal receipts.

(*b*) *Divided and Provincial.*

Revised, 1917-18. 186. The total Revised estimate for 1917-18 exceeds the Budget by R1·25 lakhs. The increase is distributed in small amounts over all provinces except

Budget, 1918-19. Bombay and the Central Provinces. The Budget for 1918-19 does not differ materially from the Revised for the current year.

EXPENDITURE.

(*a*) *Imperial—India and England.*

Revised, 1917-18. 187. The Budget estimate of the current year included a grant of R3·45 lakhs in aid of special expenditure entailed by the recommendations of the Irrigation Commission. R·25 lakh out of this grant is being spent on certain minor projects in Baluchistan, while R·50 lakh has been allotted to the Government of the United Provinces for tank restoration works and placed at its credit by an assignment of Imperial revenue (*vide* paragraph 229). The balance of the special grant will lapse. With petty variations in the grants for Imperial expenditure in other provinces, the Revised estimate for the current year is expected to fall short of the Budget by R3·48 lakhs.

Budget, 1918-19. 188. The Budget estimate for 1918-19 exceeds the current year's Revised by R1·74 lakhs. Provision for new works has been curtailed as far as possible. Allowance has been made in the Punjab for the regrant of a lapse in the current year, and a reserve of R·57 lakh has been entered to meet expenditure which cannot be foreseen at present.

(*b*) *Divided and Provincial.*

Revised, 1917-18. 189. The Revised estimate for 1917-18 falls short of the Budget by R1·54 lakhs. Lapses in grants are anticipated in Bombay, Bihar and Orissa, the Central Provinces and the Punjab. The savings in these provinces will be partly absorbed by expenditure on tank restoration works in the United Provinces which is being financed largely by a special assignment from Imperial revenues (*vide* paragraph 187) and by outlay on unforeseen works in Burma, Madras and Bengal.

Budget, 1918-19. 190. The Budget estimate for 1918-19 is taken at R14·35 lakhs more than the Revised for the current year. Provision has generally been made for sanctioned establishments, for necessary repairs and for urgent works. Allotments have been made for capital works in the Madaripur Bhil route, for the creation of a spill in the Bidyadhari river and for schemes for flood protection in Bengal (R6·62 lakhs), for the formation of a reserve depôt for tools and machinery in the United Provinces (R3·31 lakhs), for dredging operations in the Irrawaddy delta in Burma (R3 lakhs) and for the construction of a distributary for the Tribeni canal in Bihar and Orissa. A reduction in expenditure of R1·08 lakhs is anticipated in the Punjab owing to the completion of certain projects now in hand.

44.—CONSTRUCTION OF RAILWAYS CHARGED TO PROVINCIAL REVENUES.

		Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		Budget, 1918-1919.
					Budget.	Revised.	
Provincial.							
Assam . .	R	6,887	18,950	33,060	23,000	10,000	10,000
	£	459	1,263	2,204	1,500	700	700

191. The charges represent capital outlay in connection with the Jorhat Railway and are unimportant in character.

XXXI and 45.—CIVIL WORKS.

EXPENDITURE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General .	27,82,721	23,36,211	21,00,250	30,23,000	21,19,000	32,77,000
2. Delhi . . .	19,37,563	17,59,694	18,15,313	14,10,000	19,99,000	15,88,000
3. Baluchistan . .	11,02,585	8,80,280	9,48,939	9,57,000	9,97,000	9,89,000
4. North-West Frontier	32,21,382	25,56,806	24,26,106	27,62,000	24,99,000	25,90,000
5. Other Provinces .	53,74,058	47,99,736	30,97,615	50,04,000	31,00,000	39,92,000
Total .	1,44,18,309	1,23,32,727	1,03,88,223	1,31,56,000	1,07,14,000	1,24,36,000
Provincial.						
1. Madras . .	1,63,04,790	87,00,566	79,75,704	84,02,000	82,90,000	86,40,000
2. Bombay . .	1,13,51,206	85,70,316	75,13,171	98,14,000	99,23,000	1,33,65,000
3. Bengal . .	1,24,73,724	89,34,903	64,39,725	77,95,000	83,02,000	97,37,000
4. United Provinces .	76,16,110	73,14,591	65,85,308	62,52,000	63,03,000	65,44,000
5. Punjab . .	91,62,795	65,46,792	49,80,610	67,30,000	54,72,000	76,39,000
6. Burma . . .	1,16,36,015	88,97,194	82,77,693	1,10,23,000	93,71,000	1,09,99,000
7. Bihar and Orissa .	99,64,909	88,43,005	69,74,458	80,13,000	77,41,000	92,20,000
8. Central Provinces .	79,43,260	68,95,387	60,45,394	74,19,000	69,39,000	81,83,000
9. Assam . . .	54,64,048	39,69,319	32,63,485	36,92,000	30,89,000	35,04,000
Total .	9,19,16,857	6,86,72,073	5,80,55,548	6,91,40,000	6,54,30,000	7,78,31,000
TOTAL INDIA . R	10,63,35,166	8,10,04,800	6,84,43,771	8,22,96,000	7,61,44,000	9,02,67,000
Equivalent in Sterling £	7,089,011	5,400,320	4,562,918	5,486,400	5,076,200	6,017,800
England . . . £	87,739	50,144	53,413	56,900	45,600	39,200
TOTAL . £	7,176,750	5,450,464	4,616,331	5,543,300	5,121,800	6,057,000

REVENUE.

	Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	Budget, 1918-1919.
Imperial.						
1. India General .	81,416	1,12,225	1,02,080	80,000	1,41,000	87,000
2. Delhi . . .	2,41,780	2,55,017	—56,940	2,62,000	1,47,000	1,57,000
3. Baluchistan . .	48,113	48,783	46,868	45,000	58,000	48,000
4. North-West Frontier	1,65,444	1,68,004	1,68,995	1,59,000	1,75,000	1,74,000
5. Other Provinces .	2,52,849	2,73,358	3,29,183	3,08,000	3,36,000	3,01,000
Total .	7,89,602	8,57,387	5,90,186	8,54,000	8,57,000	7,67,000
Provincial.						
1. Madras . . .	4,08,800	6,02,615	5,13,010	3,72,000	4,66,000	4,39,000
2. Bombay . .	4,15,001	4,00,240	4,97,111	3,19,000	5,07,000	3,84,000
3. Bengal . . .	7,09,243	6,18,546	8,57,456	5,89,000	6,30,000	6,24,000
4. United Provinces .	4,62,612	4,85,038	4,80,810	4,61,000	5,16,000	4,67,000
5. Punjab . . .	4,04,724	3,60,841	4,21,242	3,85,000	3,89,000	3,77,000
6. Burma . . .	3,23,611	3,52,829	3,50,497	3,41,000	3,51,000	3,60,000
7. Bihar and Orissa .	3,74,440	3,99,375	4,36,731	4,70,000	4,80,000	5,05,000
8. Central Provinces .	2,61,873	3,14,089	3,05,746	3,09,000	3,62,000	4,67,000
9. Assam . . .	1,73,375	1,69,556	1,87,798	1,78,000	2,25,000	1,84,000
Total .	35,33,679	37,03,129	40,50,401	34,24,000	39,26,000	38,07,000
TOTAL INDIA . R	43,23,281	45,60,516	46,40,587	42,78,000	47,83,000	45,74,000
Equivalent in Sterling £	288,219	304,035	309,373	285,200	318,900	304,900

192. The Imperial revenue and expenditure shown against "Other Provinces" represent the transactions in connection with the buildings of the various departments, *e.g.*, Salt, Customs, etc., the receipts and charges of which are wholly Imperial.

EXPENDITURE.

(*a*) *Imperial—India and England.*

Revised, 1917-18.

193. The total expenditure in 1917-18 is expected to fall short of the Budget by R26·12 lakhs. Of this decrease, R20 lakhs are nominal, being due to the transfer to the Army head of the expenditure on the Acetone factory for which provision was included in the Budget under Civil Works. The further saving of R6·12 lakhs under this head is due to a credit for sale-proceeds of sites acquired in past years for a new Currency office in Madras and to the partial lapse of the reserve provision of R8·30 lakhs included in the Budget. The balance of this allotment has been utilised for the provision of further temporary accommodation in Delhi; for a grant to the Delhi Municipality for the extension and improvement of the western part of the city; and for the acquisition and development of certain estates in Simla.

Budget, 1918-19.

194. In 1918-19 the total Imperial grant has been fixed at R90 lakhs, exclusive of R7·09 lakhs allotted for expenditure in the Civil Department, mostly in the several minor administrations, and of sums aggregating R33·15 lakhs to be spent by the administrations of the North-West Frontier Province (R25 lakhs) and Baluchistan (R8·15 lakhs). The total Budget for 1918-19 is more than the Revised estimate for 1917-18 by R16·26 lakhs and less than the Budget grant for the latter year by R9·86 lakhs. The grants for ordinary expenditure have been kept as low as possible in view of the present financial situation.

195. The purposes to which the grant of R90 lakhs mentioned in the preceding paragraph will be applied are shown below :—

	In lakhs of rupees.	
(*a*) Ordinary grants—		
(1) Establishment and Miscellaneous charges	12·60	
(2) Repairs	22·10	
(3) Works in progress	16·13	
(4) New works :—		
(*a*) costing up to R5,000	7·49	
(*b*) costing more than R5,000	8·17	
(5) Payments in England for stores, furlough allowances, etc.	5·88	
(6) Reserve for Archæological expenditure	1·00	
(7) Reserve for other unforeseen expenditure	4·89	
		78·26
(*b*) Delhi Province—		
(1) Civil Buildings—Works in progress	0·29	
(2) „ New Works :—		
(*a*) costing up to R5,000	0·31	
(*b*) costing more than R5,000	0·49	
(3) Communications	0·62	
(4) Miscellaneous public improvements	0·13	
(5) Repairs	6·81	
(6) Establishment and Tools and Plant	1·94	
(7) Archæological expenditure	0·33	
(8) Reserve for unforeseen expenditure	0·82	
		11·74
		90·00

196. The Budget grant for 1918-19 proposed for Baluchistan does not differ materially from the Revised estimate for 1917-18. The grant for the North-West Frontier Province is taken at R·91 lakh more than the Revised.

(*b*) *India—Provincial.*

Revised, 1917-18.

197. The total Revised estimate for 1917-18 is less than the Budget by R37·10 lakhs. The Budget provided for an outlay of R12 lakhs on Civil Works from the special Imperial assignments made in recent years for Education, Sanitation and other beneficent services, but the total expenditure of this class in the current year to be recorded under Civil Works is now estimated at about R23 lakhs. Eliminating this special expenditure as well as the Budget provision made for it, the Revised estimate under Civil Works falls short of the corresponding Budget grant by about R48 lakhs. Of this a decrease of R7·03 lakhs in the Punjab is nominal, being due to a change in the method of adjustment of grants to District Boards for special purposes, these being now classified under Miscellaneous instead of Civil Works. There is also a reduction of about R4 lakhs in Madras owing to a credit from the supply of stores to the Military Department. The balance of the saving is due to ordinary lapses in grants distributed over all provinces except Bombay, Bengal and the United Provinces. The saving is largest in Burma and Assam, the main item in the former province being a lapse of R2·50 lakhs in the provision for the acquisition of a site for the Rangoon University. The aggregate saving would have been larger but for increased grants made to local bodies in Madras, Bombay and Bengal.

Budget, 1918-19.

198. The table below compares the details of the grants for 1918-19 in the various provinces so far as settled at present with the probable expenditure in the current year.

REVISED 1917-18.

[Lakhs of Rupees.]

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON			Other items.	TOTAL.
	Local Boards and Municipalities.	Other local bodies.	Original works.	Repairs.	Establishment charges.		
1. Madras	26·85	·01	31·74	11·45	12·85	...	82·90
2. Bombay	20·18	...	38·14	23·66	14·70	2·55	99·23
3. Bengal	9·72	1·50	32·25	26·55	12·00	1·00	83·02
4. United Provinces	4·15	...	18·34	26·91	11·80	1·83	63·03
5. Punjab	3·80	...	20·38	20·40	8·20	1·94	54·72
6. Burma	10·52	...	28·50	36·58	16·72	1·39	93·71
7. Bihar and Orissa	13·51	...	41·30	11·10	9·75	1·75	77·41
8. Central Provinces	4·93	...	31·30	21·63	10·39	1·14	69·39
9. Assam	1·80	...	5·79	14·69	7·03	1·58	30·89
TOTAL	95·46	1·51	247·74	192·97	103·44	13·18	654·30

BUDGET, 1918-19.

[Lakhs of Rupees.]

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON			Other items.	TOTAL.
	Local Boards and Municipalities.	Other local bodies.	Original Works.	Repairs.	Establishment charges.		
1. Madras	25·70	·01	30·94	10·46	13·24	6·05	86·40
2. Bombay	18·45	...	71·65	25·25	16·10	2·20	133·65
3. Bengal	10·67	1·50	44·18	28·00	12·00	1·02	97·37
4. United Provinces	3·85	...	21·25	27·00	11·21	2·13	65·44
5. Punjab	5·58	...	36·83	21·00	8·36	4·62	76·39
6. Burma	12·23	...	33·25	40·50	16·32	7·69	109·99
7. Bihar and Orissa	13·70	...	55·11	11·50	9·23	2·66	92·20
8. Central Provinces	5·55	...	42·13	20·52	12·00	1·63	81·83
9. Assam	1·63	...	9·54	16·41	6·51	·95	35·04
TOTAL	97·36	1·51	344·88	200·64	104·97	28·95	778·31

199. The Budget estimate for 1918-19 exceeds the Revised for the current year by R124·01 lakhs. The increase is distributed over all the provinces, but is largest in Bombay (R34·42 lakhs). Allotments aggregating R7 lakhs have been made for outlay on civil works from the special Imperial assignments made in recent years.

200. The total provision for original works in 1918-19 has been taken at R97·14 lakhs more than the probable expenditure in the current year. Provision has been made for a considerable expansion of outlay on buildings and communications in Bombay and the Punjab; for progress of work in connection with the Bankipore buildings and the Indian Lunatic Asylum and for the acquisition of a site for the Patna University in Bihar and Orissa; for expenditure connected with the partition of the districts of Midnapore and Mymensingh in Bengal; for regrant of lapses in the current year in Burma and the Central Provinces; and in the last-mentioned province for the acquisition of a site for the Nagpur University and a building for the Arts College at Amraoti.

201. The total provision for grants to local boards and municipalities in 1918-19 is about R2 lakhs more than the similar expenditure in 1917-18, as the result of minor variations in all provinces. The Budget estimate in Bombay includes an allotment of R10 lakhs for grants to local bodies from the extra revenue which will be obtained from a change in the system of sales of country spirit—*vide* paragraph 32. Of the provision under grants to local bodies R1·50 lakhs represent the grant from Imperial revenues to the Calcutta Improvement Trust.

202. The Budget grants for repairs and establishment charges are generally based on normal requirements and sanctioned scales. Provision has been made in Burma for a grant to District Cess Funds in the wolfram area for the upkeep of roads, and in the Central Provinces for a third circle of superintendence and the re-opening of a division. The Budget under the head "Other items" includes a reserve provision of R5 lakhs in Burma; the increase in Madras as compared with the Revised estimate for 1917-18 is due to the latter including credits from the supply of stores to the Military Department.

REVENUE.

(*a*) *Imperial.*

Revised, 1917-18.

203. The Revised estimate for 1917-18 does not differ materially from the Budget, a decrease of R1·15 lakhs in Delhi owing to the receipts of the Imperial Delhi Committee being adjusted in reduction of capital outlay being set off by receipts from the sale of buildings in other minor administrations.

Budget, 1918-19.

The Budget estimate for 1918-19 provides for normal receipts.

(*b*) *Provincial.*

Revised, 1917-18.

204. The Revised estimate for 1917-18 shows a rise of R5·02 lakhs over the Budget estimate, due to larger receipts on account of the Government share of the surplus profits of the Shahadara-Saharanpur Light Railway in the United Provinces and to increase in the sale-proceeds of old materials and tools and plant and miscellaneous items of revenue in Bombay and Madras.

Budget, 1918-19.

The Budget estimate for 1918-19 provides generally for normal receipts; provision has been made in the Central Provinces for a contribution of R1·50 lakhs expected from the public for the King Edward's College, Amraoti.

XXXII and 46.—ARMY.

		Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918.		1918-1919, Budget.
					Budget.	Revised.	
EXPENDITURE.							
INDIA—		R	R	R	R	R	R
Effective Services—							
Administration		64,64,083	50,70,067	57,48,817	60,70,810	63,33,000	66,28,800
Military Accounts		28,28,910	25,20,017	26,20,842	26,03,440	27,35,000	27,38,050
Regimental Pay, etc.		10,88,36,245	7,99,57,421	7,72,27,057	7,70,22,420	8,02,64,000	8,29,91,860
Supply and Transport		3,12,17,805	2,47,25,419	2,91,07,776	3,20,03,000	3,39,94,000	3,48,04,080
Veterinary		3,75,784	1,74,025	1,72,784	1,73,610	1,80,000	1,70,240
Clothing		20,59,547	24,53,604	42,37,239	26,14,360	26,65,000	20,42,000
Remounts		52,12,080	45,99,756	44,62,466	45,77,480	57,68,000	48,83,680
Medical Services		53,53,407	28,06,736	30,12,527	32,64,970	32,26,000	31,66,310
Medical Stores		3,34,215	4,92,279	6,19,883	6,82,990	13,57,000	13,40,630
Ordnance		1,01,46,288	89,30,346	1,18,71,030	1,37,86,510	1,51,26,000	1,79,92,030
Ecclesiastical		4,08,819	3,75,208	3,96,759	3,78,190	3,99,000	4,03,700
Education		10,04,196	5,66,320	5,65,931	6,01,990	6,61,000	7,03,280
Compensation for Food, etc.		52,56,955	35,84,000	34,00,920	12,37,000	7,99,000	7,47,000
Miscellaneous Services		3,48,63,084	10,11,32,874	11,31,78,446	12,66,40,000	13,50,40,000	15,96,43,000
Indian Munitions Board		...	...	55,019	...	21,15,000	21,86,280
Hutting		1,86,651	2,61,600	2,56,912	2,00,000	3,03,000	2,00,000
Conveyance by Road, River, and Sea		7,98,532	5,91,653	9,65,231	7,05,040	8,45,000	8,33,970
Conveyance by Rail		48,67,594	58,83,294	1,09,80,704	1,04,99,570	1,26,88,000	1,20,00,000
Cantonments		14,47,274	14,06,228	17,37,917	19,35,620	20,67,000	12,08,090
Unadjusted Expenditure		39,308	—12,49,349	—1,75,481	...	...	...
TOTAL	R	22,17,00,777	24,42,81,498	27,04,52,729	28,49,97,000	30,65,65,000	33,41,83,000
Non-effective Services—	R	1,10,06,881	1,17,29,048	1,28,45,207	1,64,80,000	1,45,48,000	1,60,71,000
TOTAL INDIA	R	23,27,07,658	25,60,10,546	28,32,97,936	30,14,77,000	32,11,13,000	35,02,54,000
Equivalent in sterling	£	15,513,844	17,067,369	18,886,529	20,098,500	21,407,600	23,350,800
ENGLAND—		£	£	£	£	£	£
Effective Services—							
Payments to War Office for British Forces		930,620	929,251	930,700	930,700	930,700	930,700
Furlough Allowances, etc., of British Forces		78,603	15,182	14,941	23,000	30,000	30,000
Consolidated Clothing Allowances of British Soldiers		24,700	6,848	1	...	...	...
Furlough Allowances, Indian Service		265,259	143,393	190,062	187,000	187,000	187,000
Indian Troop Service		85,206	556,904	277,010	282,300	299,000	272,300
Other Heads		142,741	51,074	31,677	54,500	36,500	40,500
Clothing Stores		90,438	111,797	108,089	105,900	110,000	110,000
Ordnance and Miscellaneous Stores		479,481	319,175	1,152,872	835,000	2,020,200	166,700
Medical Stores		94,501	104,511	182,705	141,800	120,000	161,700
Remount Stores		...	...	...	...	3,200	3,200
Supply and Transport Stores		61,901	88,444	83,000	96,000	83,000	83,000
Mechanical Transport Stores		...	...	165,439	158,800	158,800	160,000
Military Farms Stores		11,470	12,943	25,428	16,400	24,000	31,100
Operations in Persian Gulf (Stores)		18,572	...	...	...	...	...
Aviation Stores		...	60,000	...	169,000	100,000	203,300
North-West Frontier, 1914		...	...	29,638	...	...	...
Stores taken to India with Troops		17,254	8,315	...	...	...	...
TOTAL	£	2,300,746	2,407,637	3,191,512	3,000,400	4,102,400	2,379,500
Non-effective Services—							
Payments to War Office for British Forces		946,073	864,473	676,073	600,000	680,400	576,100
Pensions, Indian Service		1,374,339	1,301,993	1,236,154	1,230,000	1,190,000	1,170,000
Other Heads		201,557	251,528	269,735	287,000	285,000	315,000
TOTAL	£	2,521,969	2,417,994	2,181,962	2,117,000	2,155,400	2,061,100
TOTAL ENGLAND	£	4,822,715	4,825,631	5,373,474	5,117,400	6,257,800	4,440,600
TOTAL EXPENDITURE	£	20,336,559	21,893,260	24,260,003	25,215,900	27,665,400	27,790,900
RECEIPTS.							
India	R	R 1,12,24,641	R 90,00,890	R 1,17,70,562	R 1,02,35,000	R 1,24,33,000	R 1,29,01,000
Equivalent in sterling	£	£ 748,309	£ 600,059	£ 784,704	£ 682,300	£ 828,900	£ 860,100
England	£	347,882	339,884	330,814	304,000	282,300	284,000
TOTAL RECEIPTS	£	1,096,191	939,943	1,115,518	986,300	1,111,200	1,144,100
TOTAL NET EXPENDITURE	£	19,240,368	20,953,257	23,144,485	24,229,600	26,554,200	26,646,800

205. The preceding statement indicates that the net expenditure under the Army head during the current year is likely to exceed the Budget estimate of R36,34·43 lakhs (£24,229,600) by R3,48·70 lakhs (£2,324,600), made up of R1,74·38 lakhs (£1,162,500) in India and R1,74·32 lakhs (£1,162,100) in England. *Revised, 1917-18, compared with Budget, 1917-18.*

206. The following are the principal causes involving additional expenditure in India, which could not be foreseen when the Budget was framed in March last:—

	Lakhs of rupees.	£ Sterling.
(1) Additional expenditure on account of "War—India," chiefly in connection with port defences, mine-sweeping operations, and the North-West Frontier and Aden operations .	1,26·22	841,500
(2) Grant of increased pay to British soldiers .	55·50	370,000
(3) Increased Ordnance expenditure in connection with various measures, *e.g.*, increased scale of practice ammunition for Mobile Artillery and extension of the steel furnaces at the Ishapore Factory, etc.	15·03	100,200
(4) Increased railway charges	21·88	145,900
(5) Expenditure on account of the Indian Munitions Board	21·15	141,000
(6) Extended dairy farm operations	14·14	94,200
(7) Larger travelling allowances and contingencies	15·50	103,300
(8) Larger purchase of horses and mules in connection with Machine Gun Squadrons, etc. .	11·50	76,700
(9) Increased expenditure in connection with the re-organisation of Mechanical Transport Companies, Motor Ambulance Convoys, etc.	8·68	57,900
(10) Acquisition of land for the Ishapore Ordnance Factory	6·12	40,800
(11) Larger regimental pay and allowances on account of 5 additional Cavalry Brigade Signal Troops, reorganisation of Signal Companies, formation of Machine Gun Companies and Squadrons, additional Aeroplane flights, etc. .	16·35	109,000
	3,12·07	2,080,500

Other items account for an increase of about R36 lakhs (£240,000), making a total increase of about R3,48 lakhs (£2,320,000).

On the other hand, there have been considerable decreases amounting to about R47 lakhs (£313,000), of which the most important are smaller Army non-effective charges in India, lower food charges, smaller exchange compensation allowance payments, and smaller expenditure on the European section of the Indian Defence Force. The amount (£703,000) provided in the Budget as a reserve must also be set off against the increased expenditure, which has been partly met from this source: and finally there has been an improvement in receipts of R22 lakhs (£146,600), of which the chief items are R10½ lakhs for departmental charges on supplies furnished by the Indian Munitions Board and R12½ lakhs on account of larger sales of dairy produce, partly counterbalanced by smaller receipts under other heads.

With regard to (2) above, the concession follows the increase of pay sanctioned at Home and has effect from the 29th September 1917.

In respect of (4), railway charges, which prior to the war averaged less than £300,000 a year, have been steadily rising. The actual expenditure in 1916-17 exceeded £700,000, and in the current year it is expected that the Budget provision of R105 lakhs (£700,000) will be exceeded by nearly R22 lakhs (£145,900). As explained in paragraph 218 of the memorandum explaining the details of the estimates for 1917-18, Indian revenues bear the cost of all movements of troops, animals, stores, etc., within Indian limits, other than movements to seaports for despatch overseas, which are debitable to the Imperial Government.

In connection with (5), it may be observed that while the outlay on the Indian Munitions Board is £141,000, about half of this sum is recouped in the way of departmental charges on supplies issued by the Board.

207. The increase of £1,162,100 at Home includes £900,000 on completing the supply of rifles and ammunition. The balance is chiefly made up of larger purchases of stores and increased payments to the War Office on account of retired pay of British forces for service in India, due to an overestimate of the recoveries to be made from the War Office on account of war pensions, which are taken in reduction of the former charges.

Budget, 1918-19, compared with Revised, 1917-18.

208. The net Budget estimate for 1918-19 under the Army head amounts to R39,97·02 lakhs (£26,646,800), or R13·89 lakhs (£92,600) more than the estimated net expenditure in the current year. This increase is represented by a larger provision of R2,86·73 lakhs (£1,911,500) in India and smaller provision of R2,72·84 lakhs (£1,818,900) at Home.

Budget, 1918-19, compared with Revised, 1917-18.

209. The Indian increase is chiefly due to :—

	Lakhs of rupees.	£ Sterling.
(1) Reserve for unforeseen charges	2,96·53	1,976,900
(2) Larger provision for increased pay to British soldiers	59·25	395,000
(3) Provision in connection with the scheme for expansion of ordnance factories	37·50	250,000
(4) Larger provision for "war" non-effective charges (there is a corresponding decrease in the Home payments)	15·00	100,000
	4,08·28	2,721,900

These increases are partly counterbalanced by the following decreases :—

	Lakhs of rupees.	£ Sterling.
(5) Smaller provision under "War-India," chiefly owing to heavy expenditure in 1917-18 on active operations on the North-West Frontier	74·34	495,600
(6) Smaller provision for purchase of horses and mules	14·70	98,000
(7) Smaller provision for exchange compensation allowance	10·41	69,400
(8) Exclusion of provision in 1918-19 for Ordnance expenditure incurred in 1917-18 on account of practice ammunition for mobile artillery units, extension of the steel furnaces of the Ishapore Branch of the Gun and Shell Factory, etc.	13·98	93,200
(9) Smaller provision for railway charges	6·88	45,900
	120·31	802,100

210. The saving at Home is mainly made up of a decrease of £104,300 in non-effective payments to the War Office, chiefly owing to larger recoveries for "war" pensions and gratuities payable in India and by the India Office on behalf of the War Office; of £26,700 in Indian Troop Service payments—the payments in 1917-18 included certain arrear charges; and of £1,700,200 on stores. In 1917-18, heavy payments amounting to £1,450,000 are being made for rifles and ammunition, which mainly account for the lower figure for stores in 1918-19.

Budget, 1918-19, compared with Budget, 1917-18.

211. Compared with the current year's Budget of £24,229,600, the net Army expenditure in the coming year's Budget, which is placed at £26,646,800, shows an increase of £2,417,200. This is represented by an increase of £3,074,000 in the Indian provision and a decrease of £656,800 in the Home provision. These variations have been already explained in the preceding paragraphs, which compare the Revised for 1917-18 with the Budget for that year, and the Budget for 1918-19 with the Revised for 1917-18.

XXXIII AND 46-A.—MARINE.

		Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18.		1918-19, Budget.
					Budget.	Revised.	
EXPENDITURE.							
India	₹	36,89,687	72,07,696	40,85,438	46,95,000	49,29,000	52,53,000
Equivalent in sterling .	£	245,979	480,513	272,362	313,000	328,600	350,200
England . . .	£	217,391	265,000	421,318	525,500	408,000	610,100
Total	£	463,370	745,513	693,680	838,500	736,600	960,300
RECEIPTS.							
India	₹	29,71,715	33,48,942	54,75,072	39,12,000	45,15,000	46,29,000
Equivalent in sterling .	£	198,115	223,263	365,005	260,800	301,000	308,600
England . . .	£	...	...	22	...	...	...
Total	£	198,115	223,263	365,027	260,800	301,000	308,600
NET EXPENDITURE	£	265,255	522,250	328,653	577,700	435,600	651,700

212. The expenditure in India during 1917-18 is expected to be ₹2·34 lakhs more than the Budget, owing mainly to larger expenditure on stores and machinery. But for a reduction of ₹8·74 lakhs owing to readjustment of war charges provisionally compiled as Marine expenditure in 1916-17, the increase would have been about ₹11 lakhs over the Budget. Taking the improvement of ₹6·03 lakhs in receipts into account, the net expenditure in India becomes ₹4 lakhs, or ₹3¾ lakhs less than the ₹7¾ lakhs included in the Budget. *Revised, 1917-18, compared with Budget, 1917-18.*

The decrease of £117,500 at Home is due chiefly to the lapse of the provision (£143,500) made for the construction of vessels; this, however, is merely a postponement, not a reduction, of expenditure. A credit of £13,600 afforded by the War Office for a dredger taken over by them further reduces the expenditure in 1917-18. The decrease is partly counterbalanced by increased expenditure on miscellaneous stores demanded by India.

213. The provision for next year, India and Home combined, is ₹32·42 lakhs (£216,100) in excess of the estimated net expenditure of £435,600 in 1917-18. Provision is again being made for the construction of the Marine vessels which could not be proceeded with in 1917-18. This accounts for £132,800 of the increase, while an additional sum of £54,700 has been allowed for imported stores from Home. *Budget, 1918-19, compared with Revised, 1917-18.*

XXXIV and 47—MILITARY WORKS.

		Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18. Budget.	1917-18. Revised.	1918-19, Budget.
ORDINARY.							
EXPENDITURE.							
India . .	R	97,77,511	89,40,517	1,77,00,844	1,07,40,000	1,84,45,000	1,35,25,000
Equivalent in sterling .	£	651,834	596,035	1,180,056	716,000	1,229,600	901,700
England .	£	27,059	27,745	48,847	14,000	37,000	5,000
TOTAL	£	678,893	623,780	1,228,903	730,000	1,266,600	906,700
RECEIPTS.							
India . .	R	12,05,734	11,78,015	14,31,014	12,00,000	13,50,000	12,00,000
Equivalent in sterling .	£	80,382	78,534	95,401	80,000	90,000	80,000
England .	£	...	...	...	...	...	...
TOTAL	£	80,382	78,534	95,401	80,000	90,000	80,000
Net expenditure, Ordinary .	£	598,511	545,246	1,133,502	650,000	1,176,600	826,700
SPECIAL DEMANDS.							
EXPENDITURE.							
India . .	R	46,27,989	33,01,067	51,31,599	63,41,000	86,50,000	1,29,87,000
Equivalent in sterling .	£	308,533	220,071	342,107	422,700	576,700	865,800
England .	£	8,645	7,015	23,528	6,000	29,000	9,000
TOTAL	£	317,178	227,086	365,635	428,700	605,700	874,800
TOTAL NET EXPENDITURE	£	915,689	772,332	1,499,137	1,078,700	1,782,300	1,701,500

Revised, 1917-18, compared with Budget, 1917-18.

214. *Expenditure, Ordinary Demands.*—Many urgent measures necessitated by the war have been undertaken and in the aggregate account for an increase of R80½ lakhs (£536,600). Among the more important items may be instanced the provision of accommodation for No. 44 British General Hospital at Deolali, costing about R18½ lakhs; the provision of a new water supply at the same station, costing about R6½ lakhs; and the Acetone Factory at Nasik, involving an expenditure of about R12¼ lakhs.

Special Demands.—Here, too, a considerable increase is anticipated, *i. e.*, of about R26½ lakhs (£177,000) over the budget allotment of about R64½ lakhs. An extra allotment of R10 lakhs (over the budget provision of R15 lakhs) has been made for improvements to frontier roads; the installation of electric lights in No. 44 British General Hospital, Deolali, will cost R2 lakhs; the

construction of additional buildings at Simla to provide accommodation for the Army Headquarters offices and the Indian Munitions Board accounts for about R2½ lakhs; accommodation for a Gurkha Battalion at Almora will cost R1½ lakhs; the construction of certain works required at the Army Clothing Factory, Shahjahanpur, involves R1¼ lakhs; additional funds to the extent of R1 lakh have also been allotted for the supply of poles and frames for mosquito curtains to all regimental ranks of regular British and Anglo-Indian units; and R1½ lakhs more have been granted for the reconstruction of Indian troops' lines.

215. *Expenditure—Ordinary Demands.*—For 1918-19, R136 lakhs (£906,700) have been allotted against R109½ lakhs in the current year. The principal cause of the increase is due to provision for accommodation for mechanical transport companies and armoured cars, for installation of electric lights and fans in barracks and hospitals, and for heavier repairs. *Budget, 1918-19, compared with Budget, 1917-18.*

Special Demands.—The allotment for 1918-19 amounts to about R131¼ lakhs (£874,800); the most important measures provided for are—

R15 lakhs for Indian troops' lines, against R13 lakhs in the current year's Budget.

R40 lakhs for frontier roads, against R25 lakhs likely to be spent in the current year.

R8 lakhs for electric installations in barracks and hospitals for British troops; R2 lakhs have also been provided for this purpose under the ordinary head for works costing half a lakh and under.

R10 lakhs for improvements to British troops' hospitals in various stations in India.

R20 lakhs for improvements to Indian troops' hospitals.

About R33¾ lakhs have been provided for new works, and the balance for works in progress.

47A.—SPECIAL DEFENCES.

Expenditure.		Accounts, 1914-1915.	Accounts, 1915-1916.	Accounts, 1916-1917.	1917-1918. Budget.	1917-1918. Revised.	1918-1919, Budget.
India	R	65,149	83,941	2,10,806	1,55,000	1,55,000	...
Equivalent in Sterling	£	4,343	5,596	14,054	10,300	10,300	...
England	£	9,260	7,918	4,482	3,700	100	...
Total	£	13,603	13,514	18,536	14,000	10,400	...

216. The variation in 1917-18 is unimportant.

This head has, with the approval of the Secretary of State, been abolished with effect from 1st April 1918, and any future expenditure and past readjustments will be included under the head "Military Works."

SCHEDULE.

217. In the Budget of 1917-18, a sum of R285·20 lakhs (£1,901,300) was included for "Schedule" measures. The probable expenditure is now estimated at R4,95·37 lakhs (£3,302,500), or an increase of R2,10·17 lakhs (£1,401,200)—about £763,000 in England and £638,000 in India. The increase in England

includes £900,000 over and above the budget provision of £550,000 on account of new rifles and ammunition, and a lapse of £157,100 owing to postponement of the construction of the Marine vessels already mentioned, including a credit for a dredger taken over by the War Office. The increase in India includes £370,000 on account of increased pay to British troops, and ₹23 lakhs (£154,000) on Military Works, *e.g.*, frontier roads.

The Schedule system is still largely in abeyance under the special circumstances of the war.

218. The Schedule for 1918-19 has been fixed at £2,171,800. The grant of increased pay to British troops in India alone accounts for £765,000. India's liability in connection with the expansion of Ordnance factories accounts for £250,000. For grant of pay of temporary rank to British officers of the Indian Army, £60,000 have been provided. For completion of the two Marine vessels about £133,000 have been allotted. Increased provision has been made for military works in progress, including £267,000 for frontier roads and £200,000 for improvements to British and Indian troops' hospitals at various stations in India.

MILITARY SERVICES : SUMMARY.

		Accounts, 1914-1915.	Accounts, 1915-16.	Accounts, 1916-1917.	1917-1918.		1918-1919, Budget.
					Budget.	Revised.	
EXPENDITURE—							
India . .	₹	25,08,67,994	27,55,43,767	31,04,26,623	32,34,08,000	35,32,92,000	38,20,19,000
Equivalent in Sterling .	£	16,724,533	18,369,584	20,695,108	21,560,500	23,552,800	25,468,000
England .	£	5,085,070	5,133,509	5,871,649	5,666,600	6,731,900	5,064,700
Total Expenditure	£	21,809,603	23,503,093	26,566,757	27,227,100	30,284,700	30,532,700
RECEIPTS—							
India . .	₹	1,54,02,090	1,35,27,847	1,86,76,648	1,53,47,000	1,82,98,000	1,87,30,000
Equivalent in Sterling .	£	1,026,806	901,856	1,245,110	1,023,100	1,219,900	1,248,700
England .	£	347,882	339,884	330,836	304,000	282,300	284,000
Total Receipts .	£	1,374,688	1,241,740	1,575,946	1,327,100	1,502,200	1,532,700
NET EXPENDITURE	£	20,434,915	22,261,353	24,990,811	25,900,000	28,782,500	29,000,000

Revised, 1917-18.

219. The Budget for 1917-18 included a net provision of £25·9 million. The present estimate raises this figure nearly by £2·9 million. This increase may be briefly ascribed to the continuance of war conditions necessitating the purchase of rifles and ammunition, the grant of increased pay to British troops, the adoption of measures for the protection of our frontier and sea coasts, the improvement of frontier roads, and the construction of hospitals.

Budget, 1918-19.

220. For the ensuing year, £29 million has been fixed as the net Military Budget grant, which is only £217,500 more than the anticipated expenditure in 1917-18. It is assumed that war conditions will continue; and the Budget includes a "reserve" for unforeseen demands of £1,977,000, as against £703,000 in the current year's Budget. This latter amount was completely utilised within a few months of the opening of the financial year.

TRANSFERS BETWEEN IMPERIAL AND PROVINCIAL.

	Accounts, 1914-15.	Accounts, 1915-16.	Accounts, 1916-17.	1917-18. Budget.	1917-18. Revised.	Budget, 1918-19.
Transfers from Imperial to Provincial—						
1. (*a*) Recurring assignments under the terms of the Provincial Settlements, including permanent additions subsequently made to them, with the exception of special recurring grants for Education and Sanitation	1,16,20,000	1,40,83,000	1,42,62,000	1,40,42,000	1,40,78,000	1,42,50,000
(*b*) Recurring assignments from Provincial to Imperial in connection with the 1916-17 scheme of taxation .	...	...	—91,90,000	—91,97,000	—1,45,62,000	—1,47,97,000
2. Special recurring grants for— (*i*) Education . . .	1,14,29,000	1,14,50,000	1,14,80,000	1,43,10,000	1,43,40,000	1,71,90,000
(*ii*) Sanitation . . .	36,70,000	36,70,000	36,73,000	36,73,000	36,73,000	36,73,000
3. Assignments in connection with the scheme for the incidence of famine relief expenditure (*vide* paragraph 54 of Financial Statement for 1907-1908)	29,24,000	24,70,000	14,78,000	...	...	..
4. Non-recurring grants— (*i*) Under the terms of the Provincial settlements .	4,36,000	11,27,000	...	...	...	...
(*ii*) For Education . .	11,87,000	2,37,000	2,66,000	1,44,000	3,10,000	2,13,000
(*iii*) For Sanitation .	5,50,000	2,20,000	2,67,000	...	4,55,000	...
(*iv*) For medical relief, agriculture and allied objects	...	...	...	22,20,000	23,20,000	...
(*v*) For public works expenditure and discretionary outlay . . .	15,00,000	...	...	...	...	...
(*vi*) Other items . .	39,09,000	32,07,000	22,05,000	26,59,000	19,63,000	23,15,000
Total Transfers .	3,72,25,000	3,64,64,000	2,44,41,000	2,78,51,000	2,25,77,000	2,28,44,000

(*a*) *Recurring assignments excluding special grants for Education and Sanitation.*

221. The increase of R·36 lakh in the Revised estimate of the current year as compared with the Budget is made up as follows :— *Revised, 1917-18.*

(Lakhs of rupees.)

(1) Increase in assignment to the United Provinces for loss of excise revenue on account of reduction of duty on rum issued to troops from distilleries in the province . . .	+1·39
(2) Increase in the Punjab Government's share of sale-proceeds of sites for shops and residences in certain towns in that province (these receipts are credited in the Imperial section of the accounts, but the Local Government is entitled to a moiety)	+0·52
(3) Reduction in assignment to Madras in connection with the remission of the village service cess in proprietary estates due to slower progress in the resumption of *inam* lands of village servants.	—1·57
(4) Minor adjustments of a recurring nature	+·02
Total .	+·36

Budget, 1918-19.

222. The Budget estimate for 1918-19 exceeds the Revised for the current year by R1·72 lakhs. The increase is due to the following causes:—

	Lakhs of rupees.
(1) Increase in assignment to Madras in connection with the remission of the village service cess in proprietary estates, due to progress in the resumption of *inam* lands of village servants	+1·26
(2) Petty adjustments of a recurring nature	+·46
Total .	+1·72

(*b*) *Recurring assignments from Provincial to Imperial in connection with the 1916-17 scheme of taxation.*

Revised, 1917-18.

Budget, 1918-19.

223. The increases of (*a*) R53·65 lakhs in the Revised estimate over the Budget for the current year and (*b*) R2·35 lakhs in the Budget for 1918-19 over the Revised for 1917-18 relate to the revision of income-tax rates introduced in 1916. The head Income-tax is divided equally between Imperial and Provincial revenues, but as the taxation referred to was imposed for Imperial purposes, an assignment is taken from the provinces equivalent to the yield of the new taxation which is credited to the Provincial revenues under the ordinary division. The amounts of the assignments vary therefore with reference to the latest estimates of the proceeds of the taxation which are credited in the first instance as Provincial revenue. The increase in the assignments is distributed among the provinces as follows:—

	Lakhs of rupees.	
	1917-18.	1918-19.
Madras	+6·00	—2·00
Bombay	+25·70	+2·80
Bengal	+14·00	+2·00
United Provinces	+2·00	...
Punjab	+1·68	—·18
Burma	+1·50	...
Bihar and Orissa	+1·27	—·27
Central Provinces	+1·00	...
Assam	+·50	...
Total .	+53·65	+2·35

(*c*) *Special recurring grants for Education.*

Revised, 1917-18.

224. The small increase of R·30 lakh in the Revised estimate for the current year as compared with the Budget is due to a recurring assignment to the Punjab for the maintenance and equipment of science laboratories in the Islamia College, Lahore, sanctioned from the undistributed balance of the recurring appropriation of R154 lakhs made from Imperial revenues in recent years for the improvement of education (see paragraph 101).

Budget, 1918-19.

225. The increase of R28·50 lakhs in the Budget estimate for 1918-19 over the Revised for 1917-18 relates to the recurring appropriation of R30 lakhs which it has been decided to make from Imperial revenues from the year 1918-19 for the development of primary education (*vide* paragraph 103). The grant of R28·50 lakhs will be distributed among the

provinces as follows, the balance of R1·50 lakhs being reserved for direct Imperial expenditure or for future distribution :—

	Lakhs of rupees.
Madras	5·50
Bombay	4·00
Bengal	5·50
United Provinces	4·50
Punjab	2·00
Burma	1·50
Bihar and Orissa	3·00
Central Provinces	1·50
Assam	1·00
Total	28·50

(*d*) *Non-recurring assignments for Education.*

226. The following contributions will be paid for Provincial expenditure from the undistributed balance of the recurring appropriation of R154 lakhs made from Imperial revenues in recent years for educational expenditure :— *Revised, 1917-18.* *Budget, 1918-19.*

	Lakhs of rupees. 1917-18.	1918-19.
(1) Additional grant to the Dacca University	1·00	1·00
(2) Contribution in aid of research work by Dr. Sir J. C. Bose	·34	·38
(3) Grant to the Hindu University, Benares	1·00	...
(4) Contribution for the Government training class at Sanawar (in the Punjab)	·50	·50
(5) Contribution for a training college for male teachers of the domiciled community in Madras	·25	·25
(6) Contribution to an institution for married Hindu ladies in Bombay	·01	...
Total	3·10	2·13

(*e*) *Non-recurring grants for Sanitation.*

227. The following allotments have been sanctioned during the current year from the undistributed balance of the special recurring appropriation of R51 lakhs made from Imperial revenues in recent years for the improvement of sanitation :— *Revised, 1917-18.*

	Lakhs of rupees.
(1) To the United Provinces, for sanitary improvement of the pilgrim route to Badrinath and Kedarnath	1·00
(2) To the Punjab, in connection with certain sanitary measures	1·20
(3) To Bengal for water-supply in Midnapore	1·00
(4) To Bombay (·75) and the Central Provinces (·60) for the relief of congestion in certain areas	1·35
Total	4·55

(*f*) *Non-recurring grants for Agriculture and allied objects.*

228. The increase of R1 lakh in the Revised estimate for the current year as compared with the Budget represents an assignment to the Punjab from the profits of the wheat scheme of 1915 by transfer from an allotment made in the Budget for expenditure by the Agricultural Adviser to the Government of India—*vide* paragraph 128. *Revised, 1917-18.*

(*g*) *Miscellaneous non-recurring grants.*

Revised, 1917-18.
Budget, 1918-19.

229. The following are the details of the miscellaneous non-recurring grants which will be given in the two years :—

	Lakhs of rupees. 1917-18.	1918-19.
(1) Contribution to meet provincial expenditure in Burma and Assam in connection with the North-East Frontier	17·72	21·91
(2) Further assignment to Bihar and Orissa in respect of cost of High Court buildings at Bankipur . .	1·08	1·25
(3) Assignment to Bihar and Orissa for the European Lunatic Asylum at Ranchi (in addition to R10 lakhs given in 1913-14)	1·43	·70
(4) Grant to the United Provinces for tank restoration works, out of the special provision made in the Imperial Budget under Minor Irrigation Works for the improvement of irrigation . . .	·50	...
(5) Yearly instalments of the contribution to the Calcutta Improvement Trust for a period of 60 years from 1911-12	1·50	1·50
(6) Grant to the Chittagong Port in aid of dredging and revetment operations for the period of the war	·75	·75
(7) Assignment to Madras for a period of five years on account of a sugarcane station . . .	·19	·44
(8) Miscellaneous adjustments, representing mainly refund of expenditure undertaken on behalf of the Imperial Government or of Provincial revenue erroneously credited as Imperial . .	—3·54	—3·40
Total .	19·63	23·15

CAPITAL EXPENDITURE ON RAILWAYS AND IRRIGATION AND OTHER WORKS NOT CHARGED TO REVENUE.

RAILWAY CONSTRUCTION.

Revised, 1917-18.

230. In the Budget for 1917-18, a sum of R540 lakhs was allotted for expenditure on railway construction for which the Government of India undertake financial responsibility. During the course of the year an addition of R150 lakhs to meet the cost of the Dalbandin Mirjawa Extension was sanctioned, thus raising the total grant to R690 lakhs. The expenditure of the year is now estimated at R472·45 lakhs or R217 55 lakhs less than the grant. The lapse is due to the expenditure on the Dalbandin Mirjawa Extension not having progressed as rapidly as was expected, to the difficulties attendant on the supply of material from England, and to special credits anticipated from the supply of railway stores, etc., to the Military Department. For 1918-19 a grant of R630·35 lakhs has been provided, of which R198·62 lakhs is for rolling stock; allowing for a credit of R27 lakhs anticipated in the next year from the supply of stores for war purposes, the effective grant for capital outlay during the next year amounts to R657·35 lakhs.

Budget, 1918-19.

231. The distribution of the total expenditure on Railway construction between State and Companies' agency in each of the three years from 1916-17 to 1918-19 is as follows:—

		1916-1917. Accounts.	1917-1918. Budget.	1917-1918. Revised.	1918-1919. Budget.
I. 48.—State Railways—Construction.					
(a) India	R	2,33,05,410	3,44,56,000	3,62,45,000	4,41,22,000
	£	1,553,694	2,297,100	2,416,300	2,941,400
(b) England	£	318,654	927,100	607,100	763,000
Total	£	1,872,348	3,224,200	3,023,400	3,704,400
2. Capital Account of Indian Railway Companies.					
(a) India	R	—32,13,090	—42,11,000	—48,01,000	—45,52,000
	£	—214,206	—280,700	—320,000	—303,400
(b) England	£	320,557	656,500	446,300	801,300
Total	£	106,351	375,800	126,300	497,900
Total of Programme	£	1,978,699	3,600,000	3,149,700	4,202,300

The following outlay in England on account of purchased lines worked by Companies is included in the Indian figures under outlay on State lines:—

	654,950	1,336,400	429,200	929,300

232. The details of the Budget grant for 1918-19 are shown below :—

[Lakhs of rupees.]

	Open Line.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
I. 48.—State Railways—Construction—					
State Railways—					
1. North-Western :—					
(i) Main line	72·93	27·23	100·16	...	...
(ii) Laki-Pezu Tank	...	·43	·43	...	...
(iii) Nushki-Dalbandin	...	·50	·50	...	...
(iv) Dalbandin-Mirjawa	...	...	...	70.00	...
(v) Tank-Murtaza Extension	...	...	...	5·01	...
2. Eastern Bengal System :—					
Open line	25·02	36·25	61·27	...	...
3. Oudh and Rohilkhand :—					
Main line	·73	7·52	8·25	...	...
4. Aden Railway	·14	1·98	2·12	...	...
5. Jodhpur-Hyderabad (British Section)	...	·32	·32	...	...
Remittance lines.					
6. Assam-Bengal :—					
(i) Open line	25·08	14·19	39·27	...	...
(ii) Bhairab Bazar-Tangi (Open Section)	...	1·08	1·08	...	...
(iii) " " " (Re-alignment at Bhairab-Bazar).	...	·76	·76	...	...
7. Bengal-Nagpur :—					
(i) Main line	20·62	39·98	60·60	...	...
(ii) Parvatipur-Singapur Road	...	...	...	·15	...
8. Bezwada Extension	...	·43	·43	...	...
9. Bombay, Baroda and Central India :—					
Main line	21·78	21·92	43·70	...	...
10. Burma Extensions :—					
(i) Open line	·50	·50	1·00	...	...
(ii) Southern Shan States	...	1·00	1·00	...	...
11. Dhone-Kurnool	...	·05	·05	...	...
12. East Indian :—					
Open line	1·31	66·16	67·47	...	...
13. Great Indian Peninsula System :—					
(i) Main line	1·00	63·22	64·22	...	...
(ii) Itarsi-Nagpur, etc.	...	...	...	3·00	...
(iii) Agra-Delhi Chord	...	1·64	1·64	...	...
(iv) Bhopal	...	·64	·64	...	...
(v) Harbour Branch Extension	...	...	...	2·00	...
(vi) Cawnpur-Banda	...	2·75	2·75	...	...
(vii) Baran-Kotah	...	1·00	1·00	...	...
14. South Indian System—					
(i) Main line	5·53	16·03	21·56	...	...
(ii) Coonoor-Ootacamund	·09	·30	·39	...	...
(iii) Tinnevelly-Quilon—British Section	·03	·01	·04	...	...
(iv) Do. Native State Section	·03	·02	·05	...	...
15. Tirhoot and extensions :—					
Open line	...	89	·89	...	...
16. Anticipated credits for stores issued in 1917-18 to Expeditionary forces	...	—27·00	—27·00	...	...
17. Reserve	...	20·92	20·92	...	...
	174·79	300·72	475·51	80·16	...
II.—Capital Account Outlay of Indian Railway Companies :—					
1. Burma	6·39	12·18	18·57	...	...
2. Lucknow-Bareilly	...	1·56	1·56	...	...
3. Madras and Southern Mahratta :—					
Open line	17·44	37·11	54·55	...	...
	23·83	50·85	74·68	...	...
Total	198·62	351·57	550·19	80·16	...

The bulk of the restricted programme grant for 1918-19 will be devoted to the improvement of open lines of railway.

233. The figures in the table in paragraph 231 do not include the expenditure on Protective Railways met from the Famine Insurance grant, nor that on Branch Line Companies. Including this outlay, and also some small expenditure from Provincial revenues, the total expected outlay on railway construction in the three years ending 1918-19 is as follows :—

	Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	R	R	R
Total as in table in paragraph 231 . .	2,96,80,485	4,72,45,000	6,30,35,000
Famine Protective lines . . .	—7,146	1,000	—8,000
Branch lines	99,63,631	59,32,000	20,07,000
Provincial State line	33,060	10,000	10,000
Grand total in rupees .	3,96,70,030	5,31,88,000	6,50,44,000
Grand total in sterling at R15 to the £ .	2,644,669	3,545,900	4,336,300

CONSTRUCTION OF PRODUCTIVE IRRIGATION WORKS.

234. The figures are—

	Accounts, 1916-17.	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
Total in Rupees	76,81,248	90,00,000	55,86,000	70,00,000
Equivalent in Sterling . .	512,083	600,000	3,72,400	466,700

Revised, 1917-18.

235. The expenditure in 1917-18 is expected to fall short of the Budget by R34·14 lakhs. There will be a lapse of about R16 lakhs in the allotments for works in operation, owing to the credit to the Twante Canal project in Burma of the cost of certain dredgers taken over by His Majesty's Government for war requirements and to smaller outlay on the permanent head works of the Ganges Canal in the United Provinces and the Upper Bari Doab Canal in the Punjab; partly set off by increased expenditure on the Upper Swat River Canal in the North-West Frontier Province. There will also be a saving of about R14½ lakhs in the grant for works under construction, due to slower progress of work on the Toludur project in Madras owing to scarcity of labour, difficulty in obtaining steel materials and untimely rains and on the Mahanadi and the Wain Ganga Canals in the Central Provinces. The whole of the reserve provision of R3½ lakhs included in the Budget will lapse.

Budget, 1918-19.

236. The Budget grant for 1918-19 has been fixed at Rs. 70 lakhs or about R14 lakhs more than the probable expenditure in 1917-18, with reference to the financial situation and after due consideration of the requirements of the various canals under construction most of which are nearing completion. The following table shows the distribution of expenditure in 1917-18 and the grant for 1918-19 :—

Name of Project.	Expenditure in 1917-18.	Expenditure in 1918-19.
	R	R
Works in operation—		
Upper Swat River Canal	6,49,000	3,33,000
Kabul River Canal	1,04,000	96,000
Godavari Delta System	1,78,000	2,21,000
Kistna Delta System	1,41,000	83,000
Cauvery Delta System	72,000	25,000
Eastern Nara Works	31,000	1,78,000
Eastern Jumna Canal	39,000	52,000
Ganges Canal, including Mat and Hathras branches and permanent headworks . .	4,86,000	—1,26,000
Upper Bari Doab Canal	45,000	1,24,000
Sirhind Canal	35,000	1,00,000
Lower Chenab Canal	3,50,000	4,48,000
Lower Jhelum Canal	2,00,000	7,64,000
Upper Jhelum Canal	10,42,000	2,10,000
Upper Chenab Canal	5,90,000	3,20,000
Lower Bari Doab Canal	6,90,000	4,80,000
Twante Canal	—15,17,000	39,000
Works under construction—		
Toludur Project	1,44,000	2,34,000
Ye-u Canal	4,11,000	6,25,000
Mahanadi Canal	11,65,000	19,12,000
Wain Ganga Canal	4,41,000	4,10,000
Other Projects	2,90,000	3,84,000
Reserve Provision	...	88,000
TOTAL R .	55,86,000	70,00,000
Equivalent in Sterling £ .	372,400	466,700

Of the total grant of ₹70 lakhs, about ₹32 lakhs will be allotted to canals under construction; about ₹37 lakhs will be devoted to the completion and development of canals in operation, and a small sum of ₹1 lakh will be held in reserve to meet unforeseen requirements.

237. The figures mentioned above do not include expenditure on Protective Irrigation Works, whether financed from the Famine Insurance grant or from ordinary revenues outside that grant. Including this outlay, and also some small expenditure on works which were originally classed as productive but have since ceased to belong to that class, the total expected outlay on the construction of irrigation works in the three years ending 1918-19 is as follows :—

	Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	₹	₹	₹
Outlay on Productive Irrigation Works . .	76,81,248	55,86,000	70,00,000
Outlay on Protective Irrigation Works met from Famine Insurance grant.	46,91,536	50,51,000	57,97,000
Outlay on Protective Irrigation Works outside the Famine Insurance grant.	...	...	...
Other outlay from ordinary revenues . . .	66,348	18,000	1,06,000
Total ₹ .	1, 4,39,132	1,06,55,000	1,29,03,000
Equivalent in Sterling £	829,275	710,300	860,200

INITIAL OUTLAY ON THE NEW CAPITAL AT DELHI.

238. The figures are :—

		Accounts, 1916-17.	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
Total in Rupees . . .		36,64,453	40,00,000	37,60,000	40,00,000
Equivalent in Sterling . .	£	244,297	266,700	250,700	266,700

Revised, 1917-18.

239. The expenditure in the current year will amount to R37·60 lakhs or R2·40 lakhs less than the Budget. The distribution of the expenditure now anticipated is as follows :—

	(In lakhs of R.)
(1) Works Expenditure	32·92
(2) Establishment and miscellaneous charges	4·68
Total .	37·60

Of the works expenditure about R3 lakhs are being spent on preliminary work; R5½ lakhs on the purchase of tools and plant and other stores; about R5 lakhs on sanitation; and about R17½ lakhs on work on the Government House and the Secretariat and the construction of certain residential buildings.

Budget, 1918-19.

The provisional distribution of the Budget estimate of R40 lakhs in 1918-19 is given below—

	(In lakhs of R)
(1) Works expenditure	35·67
(2) Establishment and miscellaneous charges	4·33
TOTAL .	40·00

Of the grant of R35·67 lakhs for works outlay, R4 lakhs will be devoted to preliminary work and the further purchase of tools and plant and other stores. A sum of R6 lakhs will be spent on sanitation and R21 lakhs will be applied mainly to the construction of buildings on which work has already been commenced.

INDIA'S FINANCIAL CONTRIBUTION TO THE WAR.

240. The entry of £100 million in the Revised estimate for 1917-18 relates to the contribution made by India to His Majesty's Government towards the cost of the European war. It is made up of (*a*) £35,139,000 being the proceeds of the Indian war loan of 1917 (inclusive of cash certificates) paid to His Majesty's Government in cash and (*b*) £64,861,000 representing the amount of the British war debt which India has taken over in respect of the balance of the contribution—*vide* paragraph 253 and note (*c*) to the table in paragraph 243.

WAYS AND MEANS.

HOME TREASURY.

241. The bulk of the payments made in England on account of the Government of India consist normally of expenditure chargeable to the Indian revenues; and if such payments represented the only transactions, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways and irrigation works, however, necessitates heavy borrowing, and when practicable, a large portion of the money required is raised in England, either direct or through the agency of Companies. A further complication is introduced by the practice under which all payments made in England to Railway Companies working purchased lines, for purchase of stores and other capital purposes, as well as all moneys raised by them, and paid into the Home treasury, are brought to account under the appropriate heads in this country and are treated in the Home accounts and estimates as remittances to or from India, respectively. Operations connected with the Gold Standard and Paper Currency Reserves, and with the replacement of one particular form or item of direct or indirect debt by another, also largely swell the receipts and charges of the Home treasury without affecting ordinarily the general Ways and Means programme.

242. The items mentioned in the preceding paragraph constitute the bulk of the transactions of the Home treasury in normal years. The conditions created by the war have led to certain abnormal transactions which have affected the Ways and Means position to a continually increasing extent from 1915-16 onwards and will continue to affect it next year. Large sums are being received in England from the Imperial Government and the East African Protectorate in repayment of expenditure incurred on their behalf in India. These indirect remittances from India have very largely increased the resources of the Home treasury and removed the need for direct remittances by Councils to finance its requirements.

243. The following are the details of the transactions appearing in the Budget and Revised estimates of the Home treasury for 1917-18 and in the Budget estimate of 1918-19.

	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
RECEIPTS.	£	£	£
British Government 5 per cent. War Loan taken over by India	...	64,861,000	...
Capital raised and deposited by Railway Companies—			
For Capital outlay	2,000	7,400	2,000
*For discharge of debentures	3,531,400	...	...
Deposits and Advances—			
Gold Standard Reserve	29,069,600	33,585,300	28,008,300
*Paper Currency Reserve	46,000,000	79,267,000	91,479,300
*Paper Currency Reserve Depreciation Fund	618,000	1,224,300	1,481,000
*War transactions: Recoveries from War Office	1,226,000	2,458,000	1,774,400
Special Reserve	...	...	13,998,100
Other items	813,900	696,000	751,400
Remittance Account between England and India—			
Railway transactions (capital)	1,260,000	...	...
Ditto (capital advance)	6,500	40,000	6,500
War transactions: Recoveries from War Office	42,385,000	68,667,000	73,834,000
" recoveries from other authorities	2,786,000	4,830,700	6,020,000
Other transactions	2,090,000	15,064,000	5,347,500
Total Receipts, exclusive Council Bills and Loans	129,788,400	270,699,700	222,702,500
DISBURSEMENTS.			
Excess of Expenditure over Revenue	24,343,400	24,375,500	20,482,300
Capital Expenditure not charged to Revenue—			
Outlay on State Railways, Irrigation Works and Delhi	953,100	615,200	791,700
Outlay of Railway Companies	658,500	453,700	803,300
*Payments to Railway Companies for discharge of debentures	3,531,400	1,082,500	2,374,900
Permanent Debt discharged	500,000	500,500	(c) 20,500,000
India's Financial Contribution to the War—			
Payments to His Majesty's Exchequer in respect of monies raised by Debt created in India	...	(c) 35,139,000	...
British Government 5 per cent. War Loan taken over by India	...	64,861,000	...
Deposits and Advances—			
Gold Standard Reserve	29,069,600	33,585,700	28,008,300
*Paper Currency Reserve	46,000,000	79,267,000	91,479,300
*Paper Currency Reserve Depreciation Fund	618,000	1,224,300	1,481,000
Special Reserve	...	20,000,000	13,998,100
*War transactions—outlay recoverable from War Office	1,226,000	2,465,000	1,767,400
Other transactions	472,500	590,500	828,200
Remittance Account between England and India—			
Payment of Indian War loan to the Lords Commissioners of His Majesty's Treasury	10,000,000	...	...
Railway transactions (capital)	1,260,000	500,000	250,000
Ditto (capital advance and revenue)	1,391,700	517,600	984,600
War transactions—outlay recoverable from War Office	4,281,500	6,767,000	5,834,000
Purchase of silver	2,758,000	13,500,000	12,000,000
Other transactions	2,789,500	6,124,300	19,871,100
Total Disbursements	129,853,200	291,568,500	221,454,200
NET DISBURSEMENTS	64,800	20,868,800	—1,248,300
Financed as follows—			
Council Bills	...	25,258,000	...
Reduction of cash balance	64,800	—4,389,200	—1,248,300
Total	64,800	20,868,800	—1,248,300
Opening Balance	(a) 11,419,600	(b) 11,391,900	(a) 15,781,100
Closing Balance	(b) 11,354,800	(a) 15,781,100	(a) 17,029,400

*The heads marked with an asterisk appear on both the receipt and payment sides. As the receipt and corresponding disbursement in each case are generally equal, they do not affect the Ways and Means of the year to any material extent.

(a) Of these amounts £6,000,000 represents funds of the Gold Standard Reserve.

(b) Of this amount £6,001,400 represents funds of the Gold Standard Reserve.

(c) The proceeds of the Indian War Loan of 1917-18 amounting to £35,139,000 have been paid to His Majesty's Government in part payment of India's contribution to the war and appear under the head "India's Financial Contribution to the War." India has assumed liability for British war debt in respect of the balance of the contribution, *viz.*, £64,861,000, and this amount is shown as debt incurred by *per contra* charge to the contribution head. The proceeds of the Indian War Loan to be floated in 1918-19 will be paid to His Majesty's Government in discharge of part of the British war debt taken over, and the estimated proceeds, *viz.*, £20 million, appear therefore under the head "Discharge of debt."

Revised, 1917-18.

244. The table in paragraph 243 shows that there will be a net disbursement of £20,868,800 from the Home Treasury in 1917-18, and that the receipts from Council Bills drawn against treasury balances in India will amount to £25,258,000. There will thus be a surplus of Council bill drawings over the net disbursements amounting to £4,389,200, and this will go to raise the cash balance of the Home treasury from £11,391,900 at the beginning of the year to £15,781,100 at its end. The transactions of the Home treasury in the current year include, however, the following special items:—

(*i*) There will be a net recovery of £63,954,000 from His Majesty's Government on account of disbursements connected with war requirements made on their behalf in India, and a sum of £2,776,700 will be recovered on the same account from the East African Protectorate and the Commonwealth of Australia.

(*ii*) A sum of £35,139,000 representing the actual receipts from the Indian war loan inclusive of post office cash certificates will be paid to His Majesty's

Government in part liquidation of India's contribution of £100 million towards the cost of the war.

(*iii*) In view of the large transfer of cash balances from India to England by outlay on behalf of His Majesty's Government and the payment of Council bills, and the large volume of temporary debt which it has been necessary to incur in India to meet these disbursements, the Secretary of State has decided to constitute a special reserve by the investment of £20 million from his cash balances in Treasury Bills or other short-term securities of the British Government.

(*iv*) There will also be a payment of £13,500,000 on account of silver purchases for the Government of India.

245. The foregoing items result in a net payment of £1,908,300, and eliminating this amount the net disbursements from the Home Treasury will stand at £18,960,500 against £28,196,300 the corresponding estimate adopted in the Budget for the current year. This improvement of £9,235,800 is the net result of the following variations from Budget anticipations:—

	£
(*i*) Increased recovery in respect of money orders issued on India by other countries. (The issues of money orders on India have been on an abnormal scale owing to the difficulties in effecting remittances through the ordinary channels in consequence of the present exchange position)	5,293,000
(*ii*) Recovery in respect of funds supplied from India to Ceylon and Jeddah consisting mainly of funds provided for the purchases of tea for the War Office in Ceylon and for the purchase of food-stuffs in India by the Ceylon Government. (These transactions were not anticipated in the Budget)	1,470,300
(*iii*) Proceeds of British Treasury Bills deposited in London on account of subscriptions to the Indian War Loan	1,004,000
(*iv*) Larger realisation of opium revenue in England (some countries which obtain opium from India having been permitted to pay for it in London)	676,400
(*v*) Increased recovery in respect of coinage executed in India for Egypt	564,400
(*vi*) Savings in total grants for capital expenditure on railways, irrigation works and Delhi (inclusive of the net outlay of the various railway companies)	1,455,300
(*vii*) Improvement under miscellaneous deposit and remittance transactions inclusive of petty variations in other items	354,900
Total increase in receipts or decrease in outgoings	10,818,300
(*viii*) Discharge of debentures of railway companies	1,582,500
Net improvement	9,235,800

246. The principal items working up to the improvement of £354,900 under miscellaneous deposit and remittance transactions are: (*a*) an increase in the recoveries for advances in India on account of Protectorates, His Majesty's ships on the East India station, etc. (£468,000); and (*b*) larger receipts from the liquidation of hostile firms (£350,000); partly set off by (*c*) a fall in the receipts from the employment of enemy ships (£276,000); and (*d*) payment to His Majesty's Government in respect of the surplus revenue of the occupied territories in Mesopotamia (£350,000).

247. The total drawings of Council bills on India in 1917-18 are expected to amount to £35,336,600. Of this sum, £25,258,000 will be utilised, as already stated, to meet the disbursements of the Home treasury; while £1,420,000 will be appropriated as a remittance on behalf of the Gold Standard Reserve of the coinage profits which have accrued to the Reserve in India, and £8,658,600 as a remittance of the Paper Currency Reserve. The total figure mentioned for Council bill drawings and the appropriation to the Paper Currency Reserve include a sum of £1,371,100 which was placed at the disposal of certain firms in the early part of the current year in connection with purchases of wheat for the Royal Commission.

The cash balance of the Home treasury at the end of 1917-18, exclusive of the sum held on account of the Gold Standard Reserve, is now estimated at about £9·8 million against a Budget forecast of £5·4 million.

1917-18 Capital raised and deposited by Railway Companies.

248. The details of the transactions in respect of capital raised and deposited by Railway Companies are as follows :—

	Budget, 1917-18.	Revised, 1917-18.
RECEIPTS.	£	£
(a) *Subscribed Capital*—		
To discharge Debentures—		
Assam-Bengal Railway	297,000	...
Bengal-Nagpur Railway	2,154,400	...
Madras and Southern Mahratta Railway	1,005,000	...
Rohilkund and Kumaon Railway	75,000	...
	3,531,400	...
(b) *Miscellaneous*—		
Transfer fees, etc.	2,000	7,400
TOTAL RECEIPTS	3,533,400	7,400
ISSUES.	£	£
For discharge of Debentures	3,531,400	1,082,500
For Capital outlay, *i.e.*, Stores, Establishment Charges, etc.	658,500	453,700
TOTAL	4,189,900	1,536,200

249. The Budget estimate provided for the renewal or replacement by fresh capital of £3,531,400 debentures of the Assam-Bengal, Bengal-Nagpur, Madras and Southern Mahratta and Rohilkund and Kumaon Railway Companies. Of these, debentures to the value of £2,448,900 have been renewed, and the remainder of the value of £1,082,500 will be discharged from funds supplied by the Secretary of State.

1917-18. Railway remittances.

250. The following are the details of the Railway remittance transactions. As already explained, they occur almost wholly in connection with the capital account of the purchased lines worked by companies :—

	Budget, 1917-18.	Revised, 1917-18.
RECEIPTS.	£	£
Debenture Capital—		
South Indian Railway	1,260,000	...
Miscellaneous—		
Transfer fees, etc.	6,500	40,000
Total	1,266,500	40,000
ISSUES.		
Advances for purchase of stores—		
East Indian Railway	376,200	146,900
South Indian Railway	154,400	68,600
Bengal and North-Western Railway	42,700	40,900
Great Indian Peninsula Railway	455,300	115,700
Bombay, Baroda and Central India Railway (including Rajputana-Malwa Railway)	314,300	97,100
TOTAL	1,342,900	469,200
Discharge of Debentures—		
South Indian Railway	1,260,000	500,000
Miscellaneous payments—		
East Indian Railway : rental paid to South Behar Railway Company	30,000	30,000
Rohilkund and Kumaon Railway : Interest on Debenture Stock allocated to State works	18,800	18,400
TOTAL ISSUES	2,651,700	1,017,600

251. The Budget estimate contemplated the replacement by fresh capital of £1,260,000 debentures of the South Indian Railway Company maturing during the year. Debentures of the value of £760,000 have been renewed and the balance of the value of £500,000 will be discharged before the close of the year.

252. In accordance with the Budget programme £500,000 India bonds have been discharged in the current year. There has also been a small discharge of India 4 per cent. stock of the value of £200.

253. The contribution of £100 million by India towards the cost of the war is recorded separately as "India's financial contribution to the war" and is made up of £35,139,000 paid in cash to His Majesty's Government in respect of actual receipts from the Indian war loan inclusive of post office cash certificates, and debt of the 5 per cent. British war loan (1929-47) to the value of £64,861,000 for which India has assumed liability. The latter amount is shown *per contra* as debt incurred during the year.

254. The Budget estimate provides for a net receipt of £1,248,300. It includes however the following special items:— *Budget, 1918-19.*

(1) Payment of £20 million to His Majesty's Government from the proceeds of the second Indian war loan to be floated in 1918-19.

(2) Payments amounting to £12 million for the purchase of silver.

(3) A payment of £16,347,000 for the purchase of British Treasury bills for the Paper Currency Reserve with a view to afford assistance to the Indian treasury balances.

(4) A recovery of £71,300,000 from His Majesty's Government on account of disbursements in India on their behalf connected with war requirements and a similar recovery of £2,720,000 from the East African Protectorate.

255. Eliminating these items, the net disbursements in the Budget estimate for 1918-19 amount to £24,424,700 against the corresponding figure of £18,960,500 in the Revised estimate for the current year. The deterioration of £5,464,200 arises from the following variations:—

	£
(*i*) Increase in grants for capital expenditure on railways, irrigation works and Delhi (inclusive of the net outlay of the various railway companies) . .	1,031,600
(*ii*) Larger discharge of debentures of railway companies	1,042,400
(*iii*) Reduction in receipts in respect of money orders issued on India by other countries (it is assumed that the issue of these money orders will be on a smaller scale during the next year) . . .	3,705,000
(*iv*) Allowance for the special receipts in the current year in connection with the deposit of British Treasury Bills for subscriptions to the Indian War loan . .	920,000
(*v*) Absence in 1918-19 of the special receipts in the current year in connection with the supply of funds to Ceylon, Jeddah, etc.	1,470,300
(*vi*) Increase in special expenditure in Persia necessitated by war conditions about	1,000,000
(*vii*) Net deterioration under miscellaneous deposit and remittance transactions	188,100
Total increase in outgoings or decrease in receipts .	9,357,400
(*viii*) Decrease in net expenditure charged to revenue .	3,893,200
Net deterioration	5,464,200

256. The details working up to the increase of £1,897,900 in the net payments to Railway Companies shown in the table in paragraph 243 are given below :—

	Revised, 1917-18.	Budget, 1918-19.
	£	£
RECEIPTS—		
Capital deposits by Railway Companies—		
For capital outlay	7,400	2,000
For discharge of debentures . . .	...	...
Remittance account between England and India—		
Railway transactions	40,000	6,500
Total receipts .	47,400	8,500
DISBURSEMENTS—		
Capital expenditure not charged to Revenue—		
Outlay of Railway Companies . .	453,700	803,300
Payments for discharge of debentures .	1,082,500	2,374,900
Remittance account between England and India—		
Railway transactions	1,017,600	1,234,600
Total disbursements .	2,553,800	4,412,800
NET DISBURSEMENTS	2,506,400	4,404,300
Increase	1,897,900	

Loans, 1918-19.

257. Provision has been made in the Budget for the discharge of £500,000 India Bonds, and for a reduction of the amount of British War Loan (1929-47) taken over by India by £20 million by payment to His Majesty's Government of the proceeds of the war loan to be floated in India in 1918-19.

258. The net receipt of £1,248,300 in 1918-19, will go to raise the cash balances of the Home treasury which are estimated to stand at the end of 1918-19 at £17,029,400 inclusive of £6,000,000 held on behalf of the Gold Standard Reserve.

1917-18 and 1918-19.

259. The following are the details of the transactions of the Gold Standard Reserve in England :—

Gold Standard Reserve.

	1917-18.		1918-19.
	Budget.	Revised.	Budget.
	£	£	£
RECEIPTS.			
(*a*) Dividends on investments, discount on Treasury bills, interest on loans at short notice, etc. . .	1,697,500	1,702,300	1,472,400
(*b*) Remittance from India through Council Bills	...	1,420,000	...
(*c*) Exchequer Bonds, British Treasury bills and Colonial Government securities, etc., paid off . .	27,372,100	30,462,000	26,535,900
Total .	29,069,600	33,584,300	28,008,300
CHARGES.			
Investments made . . .	29,069,600	33,585,700	28,008,300

260. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
	£	£	£
OPENING BALANCE—			
(*a*) Invested (cost price)	25,677,100	25,652,500	28,776,200
(*b*) Uninvested—			
(1) Gold held in India	18,400	103,000	...
(2) Cash in the Home treasury placed at short notice	6,000,000	6,001,400	6,000,000
(3) Balance due from Treasury balances in India	100,000	181,400	...
	31,795,500	31,938,300	34,776,200
CLOSING BALANCE—			
(*a*) Invested (cost price)	27,374,600	28,776,200	30,248,600
(*b*) Uninvested—			
(1) Gold held in India	118,400	...	...
(2) Cash in the Home treasury placed at short notice.	6,000,000	6,000,000	6,000,000
	33,493,000	34,776,200	36,248,600
Difference between opening and closing balances representing net income in the year and made up as follows: —			
(1) Interest, etc., on investments in England (*vide* paragraph 259)	1,697,500	1,702,300	1,472,400
(2) Gain by exchange on Council Bills appropriated to the Reserve	...	43,000	...
(3) Profit on new coinage credited to the Reserve	...	1,092,600	...
TOTAL	1,697,500	2,837,900	1,472,400

261. The following is a summary of the figures relating to Council Bills and the Sterling Debt of Government and of Railway Companies (omitting transfer fees, etc.), included in the estimates for 1917-18 and 1918-19 :— *1917-18 and 1918-19. Summary of Debt transactions and Capital account of Railway Companies.*

	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
RECEIPTS.	£	£	£
Council Bills	...	25,258,000	...
British Government 5 per cent. War Loan taken over by India	...	64,861,000	...
Receipts on account of the Subscribed Capital of Railway Companies	3,531,400	...	...
Receipts on account of the Debenture Capital of Railway Companies working purchased Railways	1,260,000	...	...
OUTGOINGS.			
Permanent Debt discharged	500,000	500,200	20,500,000
India's Financial Contribution to the War	...	100,000,000	...
Discharge of Railway Companies' Debentures (inclusive of Debentures of Companies working purchased lines)	4,791,400	1,582,500	2,624,900

No provision is made for Council bill drawings in the Budget estimate for the next year ; trade demands for remittances to India will have to be financed by special measures.

INDIA.

262. The following is a summary of the Estimates of Ways and Means in India during 1917-18 and 1918-19 :—

	Budget Estimate, 1917-1918.		Revised Estimate, 1917-1918.		Budget Estimate, 1918-1919.	
	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.
Receipts.	R	£	R	£	R	£
1. Excess of Revenue over Expenditure charged to Revenue	36,71,81,000	24,478,800	45,13,06,000	30,087,100	34,59,57,000	23,063,800
2. Capital raised through Companies towards outlay on State Railways	...	...	—75,00,000	—500,000	—37,50,000	—250,000
3. Capital contributed by Native States towards outlay on State Railways	10,00,000	66,700	10,00,000	66,700	5,00,000	33,300
4. Unfunded Debt incurred—						
(a) Post Office Cash Certificates.	...	...	9,00,00,000	6,000,000	...	...
(b) Savings Bank deposits (net)	2,89,01,000	1,926,700	5,42,48,000	3,616,500	1,82,30,000	1,215,300
5. Appropriation for Reduction or Avoidance of Debt	78,64,000	524,200	95,95,000	639,700	83,02,000	553,400
6. Other Deposits and Remittances (net)—						
(a) War Stores—Suspense	11,86,000	79,100	—80,13,000	—534,200	1,48,000	9,900
(b) Other Transactions	—1,95,000	—13,000	—5,24,37,000	—3,495,800	5,26,99,000	3,513,400
7. Remittance account between England and India—						
(a) Transfers through Currency	...	...	...	...	24,52,05,000	16,347,000
(b) Purchase of Silver	6,28,60,000	4,190,700	20,00,00,000	13,333,300	19,42,36,000	12,949,100
(c) Transactions of Railway Companies (net) excluding debenture capital	2,07,78,000	1,385,200	71,64,000	477,600	1,46,72,000	978,100
Total Receipts excluding loans	48,95,75,000	32,638,400	74,53,63,000	49,690,900	87,61,99,000	58,413,300
Disbursements.						
8. Capital Expenditure not charged to Revenue—						
(a) State Railways and Irrigation Works	4,32,91,000	2,886,100	4,18,11,000	2,787,400	5,08,97,000	3,393,100
(b) Initial expenditure on new Capital at Delhi	37,75,000	251,700	36,58,000	243,900	37,95,000	253,000
(c) Outlay by Companies (net)	—42,11,000	—280,700	—48,01,000	—320,100	—45,52,000	—303,400
9. Permanent Debt discharged (net)	12,50,000	83,300	4,56,22,000	3,041,500	56,60,000	377,300
9(a). Temporary Debt discharged (net)	50,00,000	333,300	50,00,000	333,300	4,00,00,000	2,666,700
*10. Provincial surpluses (—) or deficits (+)	14,67,000	97,800	—2,75,65,000	—1,837,700	—19,70,000	—131,400
11. Imperial and Provincial Loans (net)	—22,51,000	—150,100	—89,00,000	—593,300	—10,25,000	—68,300
12. Remittance account between England and India—						
(a) Capital raised by Railway Companies (net)	...	...	—75,00,000	—500,000	—37,50,000	—250,000
(b) War Office transactions (net)	54,75,00,000	36,500,000	94,50,00,000	63,000,000	102,00,00,000	68,000,000
(c) Transactions on behalf of authorities† other than the War Office (net)	4,07,45,000	2,716,400	8,41,12,000	5,607,500	7,76,50,000	5,176,700
(d) Other transactions (net)	—47,08,000	—313,900	12,99,05,000	8,660,300	2,42,37,000	1,615,800
‡13. Council Bills	70,00,000	466,700	37,33,15,000	24,887,700	2,90,00,000	1,933,300
Total Disbursements	63,88,58,000	42,590,600	1,57,96,57,000	105,310,500	123,99,42,000	82,662,800
Net Disbursements	14,92,83,000	9,952,200	83,42,94,000	55,619,600	36,37,43,000	24,249,500
Financed as follows:						
Permanent Debt incurred	10,50,00,000	7,000,000	11,48,68,000	7,624,500	30,00,00,000	20,000,000
Temporary Debt incurred	...	...	73,83,67,000	49,224,500	...	...
Reduction of (+) or addition to (—) Treasury Balances	4,42,83,000	2,952,200	—1,84,41,000	—1,229,400	6,37,43,000	4,249,500
Total	14,92,83,000	9,952,200	83,42,94,000	55,619,600	36,37,43,000	24,249,500
Opening Balance	22,71,40,000	15,142,700	22,93,98,000	15,293,200	24,78,39,000	16,522,600
Closing Balance	18,28,57,000	12,190,500	24,78,39,000	16,522,600	18,40,96,000	12,273,100

* Head (10) represents expenditure defrayed by reduction of Provincial balances.

† These include other Departments of His Majesty's Government than the War Office, the Commonwealth of Australia and the East African Protectorate.

‡ The figures shown under head (13) differ from those given in the Home Treasury Ways and Means statement, as Bills drawn by the Secretary of State towards the end of one year are paid in India in the next. The figures of the present statement represent payments in India.

1917-18 Main features of Budget estimates.

263. In the Budget estimate for 1917-18, the cash balance in the Indian treasuries on the 1st April 1917 was taken at R22,72 lakhs. It was estimated that (1) the net Imperial revenue in India would amount to R36,72 lakhs, (2) there would be a net receipt of R2,89 lakhs under Unfunded debt, (3) a sum of R79 lakhs would be available from the Famine Insurance grant for the avoidance of debt, (4) a net receipt of R22 lakhs would accrue in connection with Imperial and Provincial loans, (5) the remittance and capital transactions of

railway companies would result in a net credit of ₹2,08 lakhs and (6) the miscellaneous deposit and remittance transactions inclusive of capital contributed by Native States for the construction of State Railways would bring in a net receipt of ₹67 lakhs.

On the other hand, provision was made for: (1) a recoverable outlay of ₹54,75 lakhs in connection with the war on behalf of the War Office and a further outlay of ₹4,07 lakhs on behalf of the Ministry of Munitions, the Commonwealth of Australia and the East African Protectorate, (2) a net expenditure of ₹15 lakhs from Provincial balances, (3) capital expenditure in India on railways (inclusive of outlay by companies) and canals to the extent of ₹3,91 lakhs, (4) an outlay of ₹38 lakhs on the construction of the new capital at Delhi, (5) the discharge of ₹12 lakhs of permanent, and ₹50 lakhs of temporary, debt, and (6) a small payment of ₹70 lakhs on account of Council bills.

The total payments mentioned above aggregate ₹64,58 lakhs, against a total receipt of ₹43,37 lakhs; the net disbursement was to be met to the extent of ₹10,50 lakhs from the proceeds estimated to be received in the current year of the Indian war loan floated on the 15th March 1917, and to the extent of ₹6,28 lakhs from silver received from the Secretary of State for coinage. The balance of ₹4,43 lakhs was to be found by a reduction of the Indian cash balance which would stand at the end of 1917-18 at ₹18,29 lakhs.

1917-18. Main features of Revised Estimate.

264. The results, according to the Revised estimate, show considerable variations from this forecast. The year opened with a cash balance which was only ₹22 lakhs more than the Budget forecast; the receipts in the year 1916-17 from the Indian war loan were ₹1½ crores more than anticipated and there was an improvement of over ₹3 crores in the revenue account, Imperial and Provincial, as compared with the Revised estimate (see paragraph 7); but these improvements were largely set off by a deterioration in other transactions, mainly disbursements by the Military Department. The recoverable war expenditure has risen very heavily during the current year, and there has also been an acute demand for private remittances of funds to India by Council bills. The difficulties in effecting remittances to India through the ordinary channels have led to an abnormal issue of money orders on India by foreign countries and we have had to provide large sums in India to meet disbursements on behalf of other countries, mainly America and Ceylon, from circumstances arising out of the war. On the other hand, the receipts from the War Loan including cash certificates have far exceeded anticipations, and a considerable sum has been obtained from the issue of Treasury Bills. The Secretary of State has also sent a larger remittance in the form of silver than the small sum taken into account in the Budget, and there has been a very satisfactory improvement in the revenue account, Imperial as well as Provincial. With these additions to our resources, it will be possible to meet the recoverable war expenditure in full and in addition direct remittances to the Home treasury to the extent of ₹37,33 lakhs and to close the year with a balance of ₹24,78 lakhs. The receipts which we are obtaining from Treasury Bills in the closing months of the year account for this large balance, and the surplus will be fully required for the ways and means operations of the coming year.

265. The net disbursements on account of outlay recoverable from the Home Government (inclusive of sums disbursed on behalf of the East African Protectorate and the Commonwealth of Australia) are now estimated at ₹1,02,91 lakhs against the Budget forecast of ₹58,82 lakhs and Council bill payments from Treasury balances will total ₹37,33 lakhs against ₹70 lakhs only assumed in the Budget. The proceeds from the War Loan inclusive of cash certificates which were taken in the Budget at ₹10,50 lakhs will amount to ₹47,27 lakhs; and a sum of ₹47,00 lakhs will be received from Treasury Bills inclusive of a temporary loan of ₹4,00 lakhs from the Bank of Bombay. Eliminating these transactions, there will be a net receipt in India of ₹47,82 lakhs according to the Revised estimate against the corresponding figure of ₹44,60 lakhs in the Budget. The improvement of ₹3,22 lakhs is the net result of the following variations. For the purposes of this analysis, *pro formâ* adjustments relating to the cancellation of debt in connection with conversion operations

and purchases for the sinking fund for the Indian War Loan 1929-47 have been left out of account as they have no effect on ways and means; also a similar adjustment in connection with the transfer to Government of securities belonging to provident funds of railway companies.

[In lakhs of Rupees.]

(1) Improvement in the combined revenue account of the Imperial and Provincial Governments	11,32
(2) Addition to cash balances on account of larger purchase of silver by the Secretary of State	13,71
(3) Increase in amount available from the Famine Insurance grant for the avoidance of debt	17
(4) Reduction of Irrigation capital outlay owing mainly to the credit of the cost of certain dredgers taken over by His Majesty's Government	20
(5) Increase in net recoveries of Imperial and Provincial loans	67
(6) Increase in net receipts in connection with miscellaneous deposit and remittance transactions	99
Total increase in receipts or decrease in outgoings	27,06
(7) Credits placed at disposal of Federal Reserve Bank of New York	4,00
(8) Deterioration under Savings Banks Deposits owing mainly to withdrawals for investment in war loan	1,58
(9) Increased debits to the war stores suspense head representing cost of military stores and equipment charged to suspense pending allocation to forces or to Indian requirements	3,92
(10) Reduction in net credits on account of remittance and capital transactions of railway companies, owing mainly to a decrease in the capital expenditure which is incurred in England and is passed on to India for adjustment in the Indian accounts	1,36
(11) Larger discharge of debt (representing two instalments of the Gwalior loan of 1887 payment of which was postponed since the outbreak of the war)	24
(12) Larger payments of money orders issued by foreign countries on India	7,43
(13) Cost of coinage executed in India for the Egyptian Government	89
(14) Supplies of funds to Ceylon and Jeddah (mainly for the purchase of tea for the War Office in Ceylon and for the purchase of foodstuffs on behalf of the latter in India)	1,91
(15) Debits in connection with adjustment of value of Treasury bills deposited in England for subscriptions to the Indian War Loan and larger opium revenue realised in England	2,51
Total decrease in receipts or increase in outgoings	23,84
Net improvement	3,22

266. The increase of R99 lakhs in the net receipts in connection with the miscellaneous deposit and remittance transactions in the above analysis results from a number of variations, the more important of which are mentioned below. There will be an aggregate credit of R3,32 lakhs under the suspense head during the current year owing to the adjustment as recoverable expenditure of outlay on stores and on the South Persia Rifles which was actually incurred in 1916-17 but could not be accounted for in that year. On the other hand, there will be a large deterioration owing to increased cash balances held by Military disbursing officers in consequence of an expansion in the area of operations and by officers of the Railway and Postal Departments owing to the closing days of March being holidays. The net transactions of local and municipal

funds will also be considerably worse owing to withdrawals for investment in the war loan.

1917-18, Rupee loans.

267. The total receipts from the Indian War Loan, subscriptions for which were invited from the 15th of March 1917, amounted to R44,29 lakhs inclusive of R4,38 lakhs from the post office section of the loan and R1,66 lakhs tendered in London in the form of British Treasury bills. Of this sum, R6,02 lakhs were realised in 1916-17, the receipts in the current year thus amounting to R38,27 lakhs. The total subscriptions were distributed among the different issues of the loan as follows :—

	(In lakhs of rupees.)
5 per cent. war loan, 1929-47	12,54
5½ „ war bonds, 1920	19,80
5½ „ „ 1922	11,95
	44,29

The gross receipts from cash certificates, the issue of which was also announced in March last, amounted to R10 crores. Certificates of the value of R1 crore are expected to be encashed during the current year, the net receipts thus amounting to R9,00 lakhs.

1918-19-Main features of Budget estimates.

268. In 1918-19 the net Imperial revenue is estimated at R34,60 lakhs; a sum of R83 lakhs will be available from the famine insurance grant for the avoidance of debt ; the remittance and capital transactions of Railway companies are likely to result in a net credit of R1,46 lakhs ; net receipts of R1,82 lakhs and R10 lakhs are anticipated in connection with Unfunded debt and Imperial and Provincial loans ; it is estimated that there will be an addition of R20 lakhs to Provincial balances ; and a sum of R4,00 lakhs will be received from the Federal Reserve Bank of New York in repayment of the credits placed at its disposal in the current year. On the other hand, provision has been made (1) for a recoverable outlay of R1,02,00 lakhs to be incurred on behalf of the War Office and of R7,76 lakhs on behalf of other authorities, (2) for payment of the annual instalment of R12 lakhs in repayment of the Gwalior loan of 1887 ; (3) for capital expenditure of R4,64 lakhs on railways and canals and of R38 lakhs on Imperial Delhi ; (4) for repayment of the temporary loan of R4,00 lakhs taken from the Bank of Bombay in the current year; (5) for the payment of Council bills which remained unpaid at the end of the current year amounting to R2,90 lakhs ; and (6) for net disbursements on account of miscellaneous deposit and remittance transactions amounting to R1,53 lakhs, the chief item being payment of money orders issued by foreign countries on India. It is assumed that these will be in excess of the normal issues, though on a smaller scale than in the current year.

The total amount of funds required by the Government of India next year, on the assumption that fresh Treasury Bills will be issued in that year in place of those of the value of R43 crores which will fall due for repayment, therefore aggregates R1,23,33 lakhs, while the receipts at its disposal amount only to R43,01 lakhs.

269. The deficiency of R80,32 lakhs will be found in the following manner :—

	(In lakhs of rupees.)
(1) By credits from silver purchased by the Secretary of State	19,42
(2) By proceeds from new Indian War Loan (inclusive of cash certificates) to be floated in 1918-19 provisionally estimated at	30,00
(3) By special remittance from the Secretary of State through the Paper Currency Reserve	24,52
(4) By reduction of cash balances	6,38
Total	80,32

The cash balances in India at the end of 1918-19 will thus stand at R18,41 lakhs.

1917-18 and 1918-19.

270. The following table gives details of the transactions of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1917-18 and 1918-19 :—

Post Office Savings Banks, etc.

Year.	Net additions to deposits, cash.	Interest.	Total addition.
1907-08	14,86,000	53,50,000	68,36,000
1908-09	—26,22,000	54,63,000	28,41,000
1909-10	51,82,000	57,20,000	1,09,02,000
1910-11	1,05,06,000	60,82,000	1,65,88,000
1911-12	1,95,69,000	67,79,000	2,63,48,000
1912-13	1,68,26,000	73,79,000	2,42,05,000
1913-14	2,37,05,000	84,07,000	3,21,12,000
1914-15	—8,35,53,000	78,82,000	—7,56,71,000
1915-16	57,38,000	70,96,000	1,28,34,000
1916-17	1,35,61,000	77,07,000	2,12,68,000
1917-18 (Revised)	4,39,98,000	95,71,000	5,35,69,000
1918-19 (Budget)	71,93,000	1,01,93,000	1,73,86,000

271. There will be a net withdrawal of R55 lakhs from Postal Savings Banks in the current year against a net deposit of R75 lakhs assumed in the Budget estimate, the deterioration being due to withdrawals for investment in the war loan. The Budget estimate for 1918-19 anticipates neither a net deposit into nor a withdrawal from these Banks, but provides for a growth of R72 lakhs in the deposits in the various Provident Funds for Government servants and in the similar funds of railway companies recently taken over by Government.

H. F. HOWARD.

The 22nd March 1918.

Appendix I.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

Prefatory Note.

I.—Scope of pro formâ account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Comptroller General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure.*

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the reconstruction of the accommodation of the troops already there had long been recognised as pressing. Similarly, the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in this city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formâ account and the regular accounts.

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "51—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "48—State Railways."

Item 1 of Part I of *pro formâ* account.

Item 3 (*b*), *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Comptroller General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "45—Civil Works." Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e.g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXXI—Civil Works."

Item 2, *ibid.*

Item II, *ibi*

Items 1 and I of Part II of *pro formâ* account.

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or, secondly, as departmental expenditure chargeable to the Department in which it is incurred.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations, and are eventually published separately, like the figures for Coorg and Baluchistan, in an appendix to the Civil Estimates. But as the Civil Estimates are not published till late in the year, a special arrangement has been made by which the figures for the Delhi province under each major head are separately shewn in the various sections of the Financial Secretary's memorandum. It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and, consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (*a*) and III of Part I of *pro formâ* account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department, neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7 and I and IV of Part I, and Items 2 and 3 and II to V of Part II of *pro formâ* account.

Item I of Part I.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure in Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads "XXV—Miscellaneous" and "XXXI—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

EXPENDITURE.	Actuals to end of 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "51" (for details see Statement I-A)	2,25,44	37,60	40,00
2. Temporary Delhi *	54,33	...	...
3. Initial expenditure of non-Civil Departments :—			
(*a*) Military services †	55,44	6,84	10,00
(*b*) Railways ‡	5,27	7	3
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	1,26	...	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	2,03	...	...
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	1,68	42	44
7. Miscellaneous items §	3,20	59	53
TOTAL	3,48,65	45,52	51,00

RECEIPTS.	Actuals to end of 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move ‖	...	...	...
II.—Non-recurring receipts on account of Temporary Works	2	...	...
III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi ‖	...	...	...
IV.—Miscellaneous items	1,00	74	74
TOTAL	1,02	74	74

Total Expenditure to end of 1918-19	4,45,17	Total receipts to end of 1918-19 — 2,50
Net expenditure to end of 1918-19	4,42,67	

*NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

†NOTE 2.—The expenditure included under item 3 (*a*) is that relating to the formation of the new Cantonment. Its details are as follows:—

	To end of 1916-17.	1917-18.	1918-19.
Acquisition of land	13,10	—	—
Cost of buildings	37,92	5,81	10,00
Establishment charges	3,09	87	
Tools and Plant	1,33	16	
TOTAL	55,44	6,84	10,00

‡NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Raya.

§NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Delhi Audit Office and the cost of temporary establishments employed in the Secretariats in connection with the change of Capital.

‖NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus in 1913-14 to 1916-17 the Government of Bengal, by moving their offices into the vacated Imperial buildings in Calcutta, saved R2,75,000, partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.	Receipts.	Actuals, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
1. Expenditure of Delhi Province * . .	36,86	38,84	34,11	I.—Revenues of Delhi Province* . . .	18,41	20,43	19,92
2. Compensatory assignment to Punjab Provincial revenues in respect of extra expenditure incurred in administering territories which have been transferred from the old Delhi district to the districts of Rohtak and Gurgaon . .	13	13	13	II.—Assignment from Punjab Provincial revenues to Imperial on account of the creation of the new Province of Delhi, with effect from the 1st October 1912† .	1,91	1,91	1,91
3. Miscellaneous items .	8	9	8	III.—Saving under Calcutta house allowances‡ .	39	40	41
				IV.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices.§ . .	2,50	2,50	2,50
Total expenditure .	37,07	39,06	34,32	V.—Miscellaneous items .	3	3	3
Net expenditure .	13,83	13,79	9,55	Total receipts .	28,24	25,27	24,77

* NOTE 1.—The details of this item are given in Statement II-A.

† NOTE 2.—This assignment represents the amount by which the Provincial outlay on the Delhi area exceeded the Provincial revenue obtained therefrom prior to the constitution of the Imperial enclave, *i.e.*, the net expenditure incurred on the area of which the Local Government has now been relieved.

‡ NOTE 3.—The figures shown against item III will be subject to increase as additional offices are successively transferred from Calcutta to Delhi.

§ NOTE 4.—The figure shown against item IV is a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I.-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part 1 of pro formâ *account.*

[Figures in thousands of Rupees.]

Items.	Actuals up to end of 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
A.—Salaries and allowances—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers*	2,04	...	...
(ii) Non-gazetted officers	14	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	16,06	3,06	4,10
(ii) Non-gazetted officers	6,77	2,25	2,27
(*c*) Other officers employed on the Project—			
(i) Gazetted officers*	2,37	15	22
(ii) Non-gazetted officers	1,06	23	24
B.—Travelling allowances of Officers and Establishment—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers*	23	...	...
(ii) Non-gazetted officers	2	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	1,35	31	32
(ii) Non-gazetted officers	64	16	17
(*c*) Other officers employed on the Project—			
(i) Gazetted officers *	11	2	3
(ii) Non-gazetted officers	5	...	...
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary Investigation	51	...	...
(*b*) Public Works and Electrical officers employed on the Project	1,13	27	27
(*c*) Other officers employed on the Project	28	5	5
Deduct—Percentages :—			
(*i*) Debit to head "45 Imperial Civil Works"	...	—51	—1,04
(*ii*) Share of cost of Land Acquisition	...	—1,34	—88
(*iii*) Establishment chargeable to other Departments	...	...	—5
D.—Works Expenditure—			
(i) Buildings—			
(1) Government House	8,19	1,99	4,50
(2) Secretariat	14,29	5,31	2,52
(3) Other buildings	28,44	10,38	14,00
(ii) Communications	4,73	1,62	2,00
(iii) Miscellaneous Public Improvements	2,14	70	1,00
(iv) Electric Light and Power	...	...	...
(v) Irrigation	...	...	...
(vi) Sanitation including water-supply, drainage and sewage	6	4,77	6,00
(vii) Purchase of tools and plant	31,63	1,70	75
(viii) Stock and Suspense	18,51	3,75	...
(ix) Miscellaneous items	46,20	2,90	3,25
(x) Maintenance during construction	6,90	2,57	2,95
Railway Diversion	...	...	3,00
Add—Minus reserve	...	—1,59	—3,20
E.—Acquisition of land	35,47	3	—1,37
F.—Other Miscellaneous expenditure	6	...	...
Deduct.—Receipts on Capital Account treated as reduction of expenditure.	—3,94	—1,18	—1,10
Total	2,25,44	37,60	40,00

* NOTE.—The town planners and other experts are included under this head.

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of Rupees.]

Receipts.				Expenditure.			
Major heads of Account.	Actuals, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.	Major heads of Account.	Actuals, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
I.—Land Revenue . .	3,48	3,43	3,73	1. Refunds and Drawbacks . .	11	16	11
II.—Opium . . .	20	1	20	2. Assignments and Compensations	5	5	5
IV.—Stamps . . .	3,54	3,80	3,79	3. Land Revenue . . .	1,04	1,12	1,05
V. Excise . . .	2,50	3,20	3,20	6. Stamps	7	6	6
VII.—Customs . . .	1	15	15	7. Excise	9	13	12
VIII.—Income Tax . .	4,32	4,78	4,77	10. Income Tax . . .	2	3	3
X.—Registration . .	24	27	27	12. Registration . . .	7	8	7
XII.—Interest . . .	33	32	31	18. General Administration* .	1,16	1,04	1,06
XVI-A.—Courts of Law . .	26	20	20	19-A. Courts of Law . . .	1,57	1,60	1,48
XVI-B.—Jails . . .	29	28	28	19-B. Jails . . .	78	78	80
XVII.—Police . . .	8	7	6	20. Police	3,77	4,16	4,10
XIX.—Education . . .	16	16	16	22. Education	1,83	1,98	2,06
XXA.—Medical . . .	1	2	1	23. Ecclesiastical . . .	14	17	20
XXIB.—Scientific and Miscellaneous Departments.	2	5	5	24-A. Medical	1,84	2,14	2,47
XXII.—Receipts in aid of Superannuation, etc.	4	4	4	24-B. Sanitation	2,72	2,17	70
XXIII.—Stationery and Printing	3	8	8	25. Political	1	2	1
XXV.—Miscellaneous . .	3,45	1,88	1,04	26-A. Agriculture . . .	11	13	12
XXX.—Minor Irrigation Works and Navigation.	2	4	1	26-B. Scientific and Miscellaneous Departments.	4	3	1
XXXI.—Civil Works . .	—57	1,47	1,57	27. Territorial and Political Pensions.	45	45	45
				29. Superannuation and Retired allowances.	2,05	1,84	2,04
				30. Stationery and Printing .	14	14	16
				32. Miscellaneous . . .	63	57	1,07
				43. Minor Irrigation Works and Navigation.	2	...	1
				45. Civil Works . . .	16,61	18,62	14,48
				Dd. Vicefregal Estates in Delhi.	1,54	1,37	1,40
Total Receipts .	18,41	20,43	19,92	Total Expenditure .	36,86	38,84	34,11

* This excludes the proportionate cost of the Delhi Audit Office relating to the Delhi Project which is included in Part I of the *Proformâ* account under '7—Miscellaneous items'.

Appendix II.

ESTIMATE OF REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA FOR THE YEAR 1918-1919.

No. I.—ACCOUNT showing the ESTIMATED REVENUE (Imperial and Provincial) compared with the

HEADS OF REVENUE.	INDIA, GENERAL.			N.-W. FRONTIER PROVINCE.			MADRAS		
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	
Principal Heads of Revenue:	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs	Rs.	
Land Revenue	21,94,478	21,05,000	22,19,000	21,40,627	22,58,000	22,70,000	5,98 08,637	6,04,68,000	1
Opium	27,584	29,000	29,000	53,427	56,000	64,000	4,90,681	5,20,000	2
Salt	2,54,11,204	3,48,12,000	55,01,000	...	...	...	1,28,65,839	1,61,36,000	3
Stamps	8,62,757	8,83,000	8,69,000	7,05,227	7,33,000	7,47,000	1,55,89,277	1,55,00,000	4
Excise	24,95,302	31,57,000	31,62,000	3,58,716	4,23,000	4,70,000	3,72,02,608	4,04,21,000	5
Provincial Rates	456	1,000	1,000	3,048	1,000	1,000	...	...	6
Customs	27,186	35 000	35,000	...	...	...	1,07,85,575	1,18,34,000	7
Income Tax	46,48,308	54,95,000	55,86,000	2,60,447	2,95,000	3,00,000	60,10,433	85,97,000	8
Forest	12,09,319	11,83,000	11,89,000	2,40,985	3,29,000	3,75,000	45,96,126	53,45,000	9
Registration	46,519	52,000	52,000	49,307	52,000	50,000	24,70,160	24,90,000	10
Tributes from Native States	19,47,897	20,12,000	20,04,000	...	...	...	44,96,519	44,97,000	11
Total	3,88,71,010	4,97,64,000	2,06,47,000	38,11,784	41,47,000	42,77,000	15,43,15,855	16,58,08,000	12
Interest	44,56,261	56,43,000	60,00,000	36,462	35,000	47,000	11,97,657	12,00,000	13
Posts and Telegraphs	6,22,98,544	6,66,64,000	7,04,94,000	...	...	...	...	...	14
Mint	33,82,683	27,42,000	15,79,000	...	...	...	...	...	15
Receipts by Civil Depts.:									
Law and Justice:									
Courts of Law	2,39,332	1,89,000	1,06,000	2,05,258	2,28,000	2,28,000	11,38,856	11,28,000	16
Jails	6,67.715	7,89,000	7,94,000	49,203	39,000	39,000	5,69,398	7,74,000	17
Police	57,193	52,000	51,000	24,450	44,000	32,000	5,19,980	5,38,000	18
Ports and Pilotage	...	...	...	...	...	...	1,313	...	19
Education	77,840	76,000	82,000	1,51,370	25,000	25,000	3,54,148	3,64,000	20
Medical	8,205	18,000	7,000	726	1,000	1,000	1,42,059	1,63,000	21
Sanitation	1,00,087	1,80,000	1,50,000	...	...	...	17,485	14,000	22
Agriculture	1,81,288	1,81,000	3,32,000	772	10,000	11,000	1,98,249	1,79,000	23
Scientific and Miscellaneous Depts.	1,11,490	98 000	1,14,000	468	...	...	13,85,311	15,60,000	24
Total	14,43,150	15,83,000	16,36,000	4,32,247	3,47,000	3,36,000	43,26,799	47,20,000	25
Miscellaneous:									
Receipts in aid of Superannuation, etc.	3,99,881	3,64,000	3,75,000	26,956	28,000	28,000	2,55,814	2,46,000	26
Stationery and Printing	4,42,191	3,88,000	3,90,000	23,759	29,000	29,000	1,41,339	1,67.000	27
Exchange	16,70,564	1,50,00,000	...	...	...	...	...	...	28
Miscellaneous	11,35,825	1,20,45,000	1,07,02,000	1,58,418	1,57,000	1,54,000	4,12,463	3,79,000	29
Total	36,48,461	2,77,97,000	1,14,67,000	2,09,133	2,14,000	2,11,000	8,09,616	7,92,000	30
Railways:									
State Railways (Gross Receipts)	62,75,80,697	68,23,51,000	70,48,50,000	...	...	...	...	...	31
Deduct—Working Expenses	*29,95,84,804*	*30,98,79,000*	*34,55,34,000*	...	...	...	...	...	32
,, Surplus profits paid to Companies, etc.	*1,15,56,624*	*1,49,00,000*	*1,60,00,000*	...	...	...	...	...	33
Net Receipts	31,64,39,269	35,75,72,000	34,33,16,000	...	...	...	...	...	34
Subsidized Companies (Government share of surplus Profits and Repayment of Advances of Interest)	4,37,631	5,10,000	2,42,000	...	...	...	...	...	35
Total	31,68,76,900	35,80,82,000	34,35,58,000	...	...	...	...	...	36
Irrigation:									
Major Works: Direct Receipts	...	...	...	9,61,716	12,09,000	13,34,000	3,11,537	3,20,000	37
Portion of Land Revenue due to Irrigation	...	...	...	64,563	74,000	77,000	1,02,08,047	1,03,49,000	38
Minor Works and Navigation	82,308	61,000	45,000	...	...	...	2,79,490	2,97,000	39
Total	82,308	61,000	45,000	10,26,279	12,83,000	14,11,000	1,07,99,074	1,09,66,000	40
Other Public Works:									
Civil Works	19,462	2,25,000	2,22,000	1,68,995	1,75,000	1,74,000	5,26,156	4,87,000	41
Military Receipts:									
Army: Effective	1,05,14,895	1,11,87,000	1,16,52,000	...	...	...	...	...	42
Non-effective	12,55,667	12,46,000	12,49,000	...	...	...	...	...	43
Marine	54,75,072	45,15,000	46,29 000	...	...	...	...	...	44
Military Works	14,31,014	13,50,000	12,00,000	...	...	...	...	...	45
Total	1,86,76,648	1,82,98,000	1,87,30,000	...	...	...	...	...	46
TOTAL REVENUE	44,97,55,427	53,08,59,000	47,43,78,000	56,84,900	62,01,000	64,56,000	17,19,75,157	18,39,73,000	47

in each of the PROVINCES of *British India*, and in *England*, for 1918-1919
Results of 1916-1917 and 1917-1918.

		BOMBAY.			BENGAL.			CARRIED FORWARD.		
	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	6,11,38,000	5,11,98,184	5,02,78,000	5,34,79,000	3,08,84,184	2,99,05,000	2,98,64,000	14,62,26,110	14,50,09,000	14,89,70,000
2	6,15,000	9,77,090	10,54,000	12,45,000	4,21,10,915	4,06,13,000	4,16,08,000	4,86,59,697	4,22,72,000	4,35,61,000
3	1,61,80,000	1,80,09,168	1.72,00,000	1,82,00,000	1,34,04,794	1,10,00,000	95,00,000	6,96,91,005	7,91,48,000	4,93,81,000
4	1,59,50,000	97,64,993	1,01,00,000	1,04,00,000	2,41,51,970	2,31,00,000	2,41,00,000	5,10,74,224	5,03,16,000	5,20,66,000
5	4,16,28,000	2,60,50,666	3,04,00,000	3,50,00,000	1,44,44,229	1,55,00,000	1,60,00,000	8,05,51,521	8,99,01,000	9,62,60,000
6	...	...	...	...	1,34,841	1,20,000	1,17,000	1,38,345	1,22,000	1,19,000
7	1,17,75,000	5,28,40,682	6,48,14,000	6,06,98,000	5,04,18,855	7,18,03,000	6,99,11,000	11,40,72,298	14,84,86,000	14 24,19,000
8	85,01,000	1,40,84,568	2,47,16,000	3,13,77,000	1,68,55,428	3,36,00,000	3,00,00,000	4,18,59,184	7,27,03,000	7,57,64,000
9	48,45,000	55,19,177	63,37,000	65,00,000	13,38,779	15,00,000	16,00,000	1,29,04,386	1,46,94,000	1,45,09,000
10	25,50,000	8,37,457	9,10,000	9,30,000	21,48,927	19,60,000	19,60,000	55,52,370	54,64,000	55,42,000
11	44,97,000	13,94,235	13,87,000	13,58,000	67,701	68,000	68,000	79,06,352	79,64,000	79,27,000
12	16,76,79,000	18,06,76,220	20,71,91,000	21,91,87,000	19,59,60,623	22,91,69,000	22,47,28,000	57,36,35,492	65,60,79,000	63,65,18,000
13	13,18,000	24,40,271	25,01,000	23,21,000	18,01,722	17,44,000	16,80,000	99,32,373	1,11,23,000	1,13,66,000
14	...	...	...	...	...	...	...	6,22,98,544	6,66,64,000	7,04,94,000
15	...	69,65,299	52,19,000	40,61,000	...	...	...	1,03,47,982	79,61,000	56,40,000
16	10,79,000	8,26,303	9,00,000	9,35,000	9,21,386	11,07,000	12,23,000	33,31,135	35,52,000	35,71,000
17	6,10,000	3,04,611	3.10,000	3,00,000	12,13,040	14,00,000	13,52,000	28,03,967	33,12,000	30.95,000
18	" 5,32,000	3,67,773	1,05,000	1,01,000	1,83,633	1,87,000	1,87,000	11,53,029	9,26,000	9.03,000
19	...	1,62,135	1,85,000	2,00,000	12,60,964	10,26,000	10 30.000	14,24,412	12,11,000	12,30,000
20	4,28,000	5,73,245	9,68,000	6,26,000	9,47,392	9,40,000	9,79,000	21,03,995	23,73,000	21 40,000
21	2,35,000	4,20,308	4,70,000	4,80,000	3,73,618	3,90,000	4,05,000	9,44,916	10,42,000	11,28,000
22	14,000	20,075	18,000	16,000	83,937	23,000	18,000	2,21,584	2,30,000	1,98,000
23	1,99,000	1,78,517	2,00,000	1,90,000	1,16,197	1,35,000	1,55,000	6,75,023	7,05,000	8,87,000
24	17,21,000	38,875	1,50,000	1,28,000	12,60,469	26,10,000	19,09,000	27,96,613	44,18,000	38,72,000
25	48,18,000	28,91,842	33,01,000	29,76,000	63,60,636	78,18,000	72,58,000	1,54,54,674	1,77,69,000	1,70.24,000
26	2,43,000	5,94,917	6,10,000	6,12,000	2,52,376	2,53,000	2,56,000	15,29,944	15,01,000	15,14,000
27	1,42,000	1,51,244	1,72,000	1,72,000	1,49,799	1,31,000	1,22,000	9,08,332	8,87,000	8,55,000
28	...	...	...	...	...	...	...	16,70.564	1,50,00,000	...
29	3,77,000	9,08,738	8,30,000	3,72,000	8,32,878	7,62,000	7,09,000	34,48,317	1,41,73,000	1,23,14,000
30	7,62,000	16,54,899	16 12,000	11,56,000	12,35,048	11,46,000	10,87,000	75,57,157	3,15,61,000	1,46,83,000
31	...	...	...	...	...	...	...	62,75,80 697	68,23,51,000	70,48,50,000
32	...	...	...	...	...	...	...	*29,95,84,804*	*30,98,79,000*	*34,55,34,000*
33	...	...	...	...	...	...	...	*1,15,56,624*	*1,49,00,000*	*1,60,00,000*
34	...	...	...	...	...	...	...	31,64,89,269	35,75,72,000	34,33,16,000
35	...	...	...	...	...	...	...	4,37,631	5,10,000	2,42,000
36	...	...	...	...	...	...	...	31,68,76,900	35,80,82,000	34,35,58,000
37	3,20,000	16,81,144	14,38,000	17,87,000	2,89,732	2,96,000	2,82,000	32,14,129	32,63,000	37,23,000
38	1,03,66,000	29,08,903	30,00,000	30,00,000	...	...	...	1,31,81,513	1,34,23,000	1,34,43,000
39	2,73,000	3,46,939	3,50,000	3,75,000	8,34,377	8,37,000	8,10,000	15,43,114	15,45,000	15,03,000
40	1 09,59,000	49,36,986	47,88,000	51,62,000	11,24,109	11,33,000	10,92,000	1,79,68,756	1,82,31,000	1,86,69.000
41	4,50,000	5,24,696	5,35,000	4,12,000	9,73,890	7,35,000	7,26,000	22,13,199	21,57,000	19,84,000
42	...	...	...	...	...	...		1,05,14,895	1,11,87,000	1,16,52,000
43	...	...	...	...	...	...		12,55,667	12,46,000	12,49,000
44	...	...	...	...	...	...		54,75,072	45,15,000	46,29,000
45	...	...	...	...	...	...		14,31,014	13,50,000	12,00,000
46	...	...	...	...	...	...	...	1,86,76,648	1,82,98,000	1,87,30,000
47	18,59,86,000	20,00,90,213	22,51,47,000	23,52,75,000	20,74,56,028	24,17,45,000	23,65,71,000	1,03,49,61,725	1,18,79,25,000	1,13,86,66,000

No. 1—Account showing the Estimated Revenue (Imperial and Provincial) compared with the

HEADS OF REVENUE.	Brought forward.			United Provinces of Agra and Oudh.			Punjab.		
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue:									
Land Revenue	14,62,26,110	14,50,09,000	14,89,70,000	6,45,44,156	6,50,24,000	6,51,05,000	2,85,20,008	2,96,41,000	1
Opium	4,36,59,697	4,22,72,000	4,35,61,000	7,69,187	7,06,000	8,00,000	7,45,844	7,77,000	2
Salt	6,96,91,005	7,91,48,000	4,93,81,000	...	...	...	...	...	3
Stamps	5,10,74,224	5,03,16,000	5,20,66,000	1,29,89,366	1,32,50,000	1,37,00,000	59,82,286	60,75,000	4
Excise	8,05,51,521	8,99,01,000	9,62,60,000	1,34,11,963	1,45,10,000	1,51,00,000	75,86,836	85,26,000	5
Provincial Rates	1,38,345	1,22,000	1,19,000	1,64,613	1,72,000	1,56,000	32,314	34,000	6
Customs	11,40,72,298	14,84,86,000	14,24,19,000	2,22,093	2,70,000	2,71,000	22,895	17,000	7
Income Tax	4,18,59,184	7,27,03,000	7,57,64,000	42,47,326	51,51,000	54,47,000	24,61,856	34,44,000	8
Forest	1,29,04,386	1,46,94,000	1,45,09,000	50,40,932	57,00,000	61,00,000	16,87,800	19,74,000	9
Registration	55,52,370	54,64,000	55,42,000	7,31,341	7,50,000	7,60,000	3,71,489	3,83,000	10
Tributes from Native States	79,06,352	79,64,000	79,27,000	3,21,000	3,21,000	3,21,000	1,46,458	1,44,000	11
Total	57,36,35,492	65,60,79,000	63,65,18,000	10,24,41,977	10,58,54,000	10,77,60,000	4,75,57,781	5,10,15,000	12
Interest	99,32,373	1,11,23,000	1,13,66,000	17,78,373	15,21,000	13,24,000	5,30,248	4,95,000	13
Posts and Telegraphs	6,22,98,544	6,66,64,000	7,04,94,000	...	...	...	...	...	14
Mint	1,03,47,982	79,61,000	56,40,000	...	...	...	...	...	15
Receipts by Civil Depts:									
Law and Justice:									
Courts of Law	33,31,135	35,52,000	35,71,000	8,60,104	8,49,000	8,64,000	6,90,167	7,30,000	16
Jails	28,03,967	33,12,000	30,95,000	3,67,714	3,63,000	3,51,000	4,16,024	6,03,000	17
Police	11,53,029	9,26,000	9,03,000	98,835	1,17,000	1,13,000	2,71,038	2,28,000	18
Ports and Pilotage	14,24,412	12,11,000	12,30,000	...	...	...	...	...	19
Education	21,03,995	23,73,000	21,40,000	6,50,893	7,00,000	7,37,000	5,22,373	5,23,000	20
Medical	9,44,916	10,42,000	11,28,000	95,135	1,13,000	97,000	39,224	44,000	21
Sanitation	2,21,584	2,30,000	1,98,000	40,938	39,000	30,000	1,16,022	1,26,000	22
Agriculture	6,75,023	7,05,000	8,87,000	2,42,510	2,96,000	2,55,000	2,50,090	3,86,000	23
Scientific and Miscellaneous Depts.	27,96,613	44,18,000	38,72,000	21,645	22,000	21,000	30,676	34,000	24
Total	1,54,54,674	1,77,69,000	1,70,24,000	23,77,774	24,99,000	24,68,000	23,35,614	26,74,000	25
Miscellaneous:									
Receipts in aid of Superannuation, etc.	15,29,944	15,01,000	15,14,000	2,94,653	2,87,000	2,93,000	2,18,166	2,24,000	26
Stationery and Printing	9,08,332	8,57,000	8,55,000	2,01,020	2,06,000	2,12,000	1,95,701	1,75,000	27
Exchange	16,70,564	1,50,00,000	...	...	...	...	...	...	28
Miscellaneous	34,48,317	1,41,73,000	1,23,14,000	4,95,276	4,94,000	4,92,000	13,06,155	9,29,000	29
Total	75,57,157	3,15,61,000	1,46,83,000	9,90,949	9,87,000	9,97,000	17,20,022	13,28,000	30
Railways:									
State Railways (Gross Receipts)	62,75,80,697	68,23,51,000	70,48,50,000	...	...	...	...	...	31
Deduct: Working Expenses	*29,95,84,804*	*30,98,79,000*	*34,55,34,000*	...	...	...	...	...	32
„ Surplus profits paid to Companies, etc.	*1,15,56,624*	*1,49,00,000*	*1,60,00,000*	...	...	...	...	...	33
Net Receipts	31,64,39,269	35,75,72,000	34,33,16,000	...	...	...	...	...	34
Subsidized Companies (Government share of surplus profits and Repayment of Advances of Interest)	4,37,631	5,10,000	2,42,000	...	...	...	...	...	35
Total	31,68,76,900	35,80,82,000	34,35,58,000	...	...	...	...	...	36
Irrigation:									
Major Works: Direct Receipts	32,44,129	32,63,000	37,23,000	1,01,93,999	1,02,47,000	1,00,06,000	2,77,15,784	2,72,07,000	37
Portion of Land Revenue due to Irrigation	1,31,81,513	1,34,23,000	1,34,43,000	20,64,095	20,64,000	20,64,000	1,19,31,294	1,21,55,000	38
Minor Works and Navigation	15,43,114	15,45,000	15,03,000	3,00,558	3,04,000	2,94,000	10,23,011	11,99,000	39
Total.	1,79,68,756	1,82,31,000	1,86,69,000	1,25,58,652	1,26,15,000	1,23,64,000	4,06,70,089	4,05,61,000	40
Othe Public Works.									
Civil Works	22,13,199	21,57,000	19,84,000	5,16,922	5,86,000	5,07,000	5,07,855	4,76,000	41
Military Receipts:									
Army: Effective	1,05,14,895	1,11,87,000	1,16,52,000	...	...	...	...	...	42
Non-effective	12,55,667	12,46,000	12,49,000	...	...	...	...	...	43
Marine	54,75,072	45,15,000	46,29,000	...	...	...	...	...	44
Military Works	14,31,014	13,50,000	12,00,000	...	...	...	...	...	45
Total	1,86,76,648	1,82,98,000	1,87,30,000	...	...	...	...	...	46
TOTAL REVENUE	1,03,49,61,725	1,18,79,25,000	1,13,86,66,000	12,06,64,647	12,40,62,000	12,54,20,000	9,33,21,609	9,65,49,000	47

in each of the Provinces of *British India*, and in *England*, for 1918-1919,
Results of 1916-1917 AND 1917-1918—*continued*.

		BURMA.			BIHAR AND ORISSA.			CARRIED FORWARD.		
	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	2,87,65,000	4,73 71,220	4,04,60,000	5,47,42,000	1,65,29,355	1,62,58,000	1,58,95,000	30,31,90,849	29,63,92,000	31,34,77,000
2	8,90,000	5,18,502	5,18,000	5,90,000	4,49,259	4,80,000	5,54,000	4,61,42,489	4,47,53,000	4,63,95,000
3	...	27,01,850	29,42,000	30,00,000	266	1,000	1,000	7,23,93,121	8,20,91,000	5,23,82,000
4	61,50,000	36 64,993	32,50,000	35,00,000	73,22,624	76,00,000	78,50,000	8,10,33,493	8,04,91,000	8,32,66,000
5	91,47,000	88,31,324	92,09,000	94,00,000	1,12,26,696	1,20,50,000	1,21,58,000	12,16,08,340	13,41,96,000	14,20,65,000
6	31,000	...	...	...	1,25,009	88,000	1,14,000	4,60,281	4,16,000	4,20,000
7	17,000	1,52,75,528	1,87,52,000	1,89,57,000	1,448	2,000	2,000	12,95,94,262	16,75,27,000	16,16,66,000
8	36,50,000	40,05,618	49,32,000	49,25 000	20,21,417	23,52,000	25,02,000	5,45,95,401	8,85,82,000	9,22,58,000
9	22,58,000	1,23,79,531	1,20,00,000	1,19,00,000	5,29,081	6,70,000	6,50,000	3,25,41,730	3,50,38,000	3,54,17,000
10	3,84,000	2,48,754	1,90,000	2,20,000	6,80,909	6,90,000	7,00,000	75,84,863	74,77,000	76,06,000
11	1,44,000	4,48,099	4,52,000	4,52,000	85,499	86,000	86,000	89,07,403	89,67,000	89,30,000
12	5,14,36,000	9,54,45,419	9,27,05,000	10,76,86,000	3,89,71,563	4,02,77,000	4,05,12,000	85,80,52,232	94,59,30,000	94,39,12,000
13	4,76,000	1 64,513	1,66,000	2,15,000	1,77,903	1,96,000	2,10,000	1,25,83,410	1,35,31,000	1,35,91,000
14	...	...	...	...	...	...	...	6,22,98,544	6,66,64,000	7,04,94,000
15	...	...	...	...	...	...	...	1,03,47,982	79,61,000	56,40,000
16	7,60,000	6,38,635	6,19,000	6,22,000	3,01,846	3,64,000	3,69,000	58,21,887	61,14,000	61,86,000
17	5,96,000	4,08,869	3,56,000	4,37,000	7,88,794	8 57,000	8,82,000	47,85,368	55,21,000	53,61,000
18	1,76,000	5,48,016	4,67,000	4,05,000	35,733	88,000	8,75,000	21,06,651	18,26,000	24,72,000
19	...	4,26,674	3,68,000	4,03,000	...	...	...	18,51,086	15,79,000	16,33,000
20	5,40,000	3,65,741	3,69,000	3,68,000	3,55,634	3,73,000	3,80,000	39,98,636	43,38,000	41,65,000
21	42,000	1,22,585	1,26,000	1,25,000	40,268	47,000	49,000	12,42,123	13,72,000	14,41,000
22	96,000	21,474	14,000	20,000	13,527	16,000	16,000	4,13,545	4,25,000	3,60,000
23	6,74,000	24,733	18,000	19,000	31,486	35,000	70,000	12,23,842	14,40,000	19,05,000
24	34,000	29,912	6,000	6,000	1,443	2,000	2,000	28,80,289	44,82,000	39,35,000
25	29,18,000	25,86,639	23,73,000	24,05,000	15,68,731	17,82,000	26,43,000	2,43,23,432	2,70,97,000	2,74,58,000
26	2,29,000	1,12,493	1,15,000	1,14,000	1,13,466	1,26,000	1,26 000	22.68,722	22,53,000	22,76,000
27	1,93,000	47,739	56,000	51,000	26,913	26,000	27,000	13,79,705	13,50,000	13,38,000
28	...	...	...	...	...	...	...	16,70,564	1,50,00 000	...
29	9,18,000	1,60,901	1,58,000	1,51,000	3,15,036	3,27,000	2,79,000	57,25 685	1,60,81,000	1,41,54,000
30	13,40,000	3,21,133	3,29,000	3,16,000	4,55,415	4,79,000	4 32,000	1,10,44,676	3,46,84,000	1,77,68,000
31	...	...	...	...	...	...	...	62,75,80,697	68,23,51,000	70,48,50,000
32	...	...	...	...	...	...	...	*29,95,84,804*	*30,98,79,000*	*34,55,34,000*
33	...	...	...	...	...	...	...	*1,15,56,624*	*1,49,00,000*	*1,60,00,000*
34	...	...	...	...	...	...	...	31,64,39,269	35,75,72,000	34,33,16,000
35	...	...	...	...	...	...	...	4,37,631	5,10,000	2,42,000
36	...	...	...	...	...	...	...	31,68,76,900	35,80,82,000	34,35,58,000
37	2,81,56,000	13,53,255	16,10,000	16,55,000	25,29,408	25,50,000	26,00,000	4,50,36,575	4,48,77,000	4,61,40,000
38	1,30,50,000	2,23,853	2,40,000	2,58,000	...	...	...	2,74,00,755	2,78,82,000	2,88,15,000
39	10,74,000	16,90,753	15,30,000	16,00,000	70,828	72,000	72,000	46,28,264	46,50,000	45,43,000
40	4,22,80,000	32,67,861	33,80,000	35,13,000	26,00,236	26,22,000	26,72,000	7,70,65,594	7,74,09,000	7,94,98,000
41	4,67,000	3,72,019	3,69,000	3,78,000	4,84,497	5,40,000	5,35,000	40,94,492	41,28,000	38,71,000
42	...	...	...	...	...	...	...	1,05,14,895	1,11,87,000	1,16,52,000
43	...	...	...	...	...	...	...	12,55 667	12,46,000	12,49,000
44	...	...	...	...	...	...	...	54,75,072	45,15,000	46,29,000
45	...	...	...	...	...	...	...	14,31,014	13,50,000	12,00,000
46	...	...	...	...	...	...	...	1 86,76,648	1,82,98,000	1,87,30,000
47	9,89,17,000	10,21,57,584	9,93,52,000	11,45,13,000	4,42,58,345	4,58,96,000	4,70,04,000	1,39,53,63,910	1,55,37,84,000	1,52,45,20,000

No 1.—ACCOUNT showing the ESTIMATED REVENUE (Imperial and Provincial) compared with the

HEADS OF REVENUE.	BROUGHT FORWARD.			CENTRAL PROVINCES AND BERAR.			ASSAM.			
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue:										
Land Revenue	30,31,90,849	29,63,92,000	31,34,77,000	1,98,48,414	1,95,74,000	2,00,54,000	75,79,713	82,01,000	84,47,000	1
Opium	4,61,42,489	4,47,53,000	4,63,95,000	5,77,670	5,90,000	6,92,000	6,79,914	6,85,000	7,90,000	2
Salt	7,23,93,121	8,20,91,000	5,23,82,000	...	...	...	770	1,000	1,000	3
Stamps	8,10,33,493	8,04,91,000	8,32,66,000	41,82,422	42,00,000	43,00,000	14,34,522	14,84,000	15,04,000	4
Excise	12,16,08,340	13,41,96,000	14,20,66,000	1,10,89,102	1,15,50,000	1,19,00,000	55,41,053	54,06,000	57,40,000	5
Provincial Rates	4,60,281	4,16,000	4,20,000	...	...	...	10,578	15,000	18,000	6
Customs	12,95,94,262	16,75,27,000	16,16,66,000	2,93,466	3,50,000	3,50,000	...	1,86,000	2,00,000	7
Income Tax	5,45,95,401	8,85,82,000	9,22,88,000	13,20,815	16,56,000	17,89,000	6,78,282	8,99,000	9,22,000	8
Forest	3,25,41,730	3,50,38,000	3,54,17,000	33,71,578	34,35,000	36,00,000	11,48,622	12,48,000	12,47,000	9
Registration	75 84,863	74,77,000	76,06,000	4,20,903	4,20,000	4,24,000	1,02,962	1,04,000	1,09,000	10
Tributes from Native States	89,07,403	89,67,000	89,30,000	2,28,937	2,49,000	2,39,000	50,100	50,000	50,000	11
Total	85,80,52,232	94,59,30,000	94,39,12,000	4,13,33,307	4,20,24,000	4,33,48,000	1,72,26,516	1,82,79,000	1,90,28,000	12
Interest	1,25,83,410	1,35,31,000	1,35,91,000	2,76,390	2,20,000	1,92,000	58 893	93,000	2,12,000	13
Posts and Telegraphs	6,22,98,544	6,66,64,000	7,04,94,000	...	...	...	...	...	...	14
Mint	1,03,47,982	79,61,000	56,40,000	...	...	...	...	...	...	15
Receipts by Civil Departments:										
Law and Justice:										
Courts of Law	58,21,887	61,14,000	61,86,000	2,57,305	2,75,000	2,80,000	1,42,796	1,37,000	1,43,000	16
Jails	47,85,368	55,21,000	53,61,000	3,05,914	3,16,000	3,42,000	94,583	92,000	90,000	17
Police	21,06,651	18,26,000	24,72,000	43,228	48,000	26,000	1,74,880	1,27,000	97,000	18
Ports and Pilotage	18,51,086	15,79,000	16,33,000	...	...	...	199	...	...	19
Education	39,98,636	43,38,000	41,65,000	2,71,297	2,85,000	3,00,000	2,04,236	2,12,000	2,27,000	20
Medical	12,43,128	13,72,000	14,41,000	7,960	8,000	8,000	6,499	15,000	9,000	21
Sanitation	4,13,545	4,25,000	3,60,000	31,553	36,000	40,000	29,902	36,000	40,000	22
Agriculture	12,23,842	14,40,000	19,05,000	1,27,160	1,25,000	1,40,000	15,669	40,000	89,000	23
Scientific and Miscellaneous Departments	28,80,289	44,82,000	39,35,000	24,792	29,000	30,000	17,966	10,000	3,000	24
Total	2,43,23,432	2,70,97,000	2,74,58,000	10,69,209	11,17,000	11,66,000	6,86,730	6,69,000	6,98,000	25
Miscellaneous:										
Receipts in aid, of Superannuation, etc.	22,68,722	22,53,000	22,76,000	2,91,091	3,25,000	3,31,000	40,865	38,000	38,000	26
Stationery and Printing	13,79,705	13,50,000	13,38,000	55,990	52,000	52,000	4,811	6,000	6,000	27
Exchange	16,70,564	1,50,00,000	...	...	...	...	...	...	...	28
Miscellaneous	57,25,685	1,60,81,000	1,41,54,000	2,51,496	2,52,000	2,16,000	56,946	42,000	48,000	29
Total	1,10,44,676	3,46,84,000	1,77,68,000	5,98,577	6,29,000	5,99,000	1,02,622	86,000	92,000	30
Railways:										
State Railways (Gross Receipts)	62,75,80,697	68,23,51,000	70,48,50,000	...	...	...	1,65,389	1,49,000	1,50,000	31
Deduct—										
Working Expenses	*29,95,84,804*	*30,98,79,000*	*34,55,34,000*	...	...	...	*1,01,641*	*1,21,000*	*1,30,000*	32
Surplus profits paid to Companies, etc.	*1,15,56,624*	*1,49,00,000*	*1,60,00,000*	...	...	...	...	...	...	33
Net Receipts	31,64,39,269	35,75,72,000	34,33,16,000	...	...	...	63,748	28,000	20,000	34
Subsidized Companies (Government share of surplus profits and Re-payment of Advances of interest)	4,37,631	5,10,000	2,42,000	...	...	...	...	...	...	35
Total	31,68,76,900	35,80,82,000	34,35,58,000	...	...	...	63,748	28,000	20,000	36
Irrigation:										
Major Works: Direct Receipts.	4,50,36,575	4,48,77,000	4,61,40,000	1,31,820	1,60,000	2,48,000	...	...	...	37
Portion of Land Revenue due to Irrigation	2,74,00,755	2,78,82,000	2,88,15,000	5,878	6,000	6,000	...	...	...	38
Minor Works and Navigation	46,28,264	46,50,000	45,43,000	59,074	45,000	54,000	72,004	...	...	39
Total	7,70,65,594	7,74,09,000	7,94,98,000	1,96,767	2,11,000	3,08,000	72,004	...	...	40
Other Public Works:										
Civil Works	40,94,492	41,28,000	38,71,000	3,56,951	4,28,000	5,17,000	1,89,144	2,27,000	1,86,000	41
Military Receipts:										
Army Effective	1,05,14,895	1,11,87,000	1,16,52,000	...	...	...	...	...	...	42
Non-effective	12,55,667	12,46,000	12,49,000	...	...	...	...	...	...	43
Marine	54,75,072	45,15,000	46,29,000	...	...	...	...	...	...	44
Military Works	14,31,014	13,50,000	12,00,000	...	...	...	...	...	...	45
Total	1,86,76 648	1,82,98,000	1,87,30,000	...	...	...	...	...	...	46
TOTAL REVENUE	1,39,53,63,910	1,55,37,84,000	1,52,45,20,000	4,38,31,201	4,46,29,000	4,61,30,000	1,83,99,657	1,93,82,000	2,02,36,000	47

in each of the PROVINCES of *British India*, and in *England*, for 1918-1919,
Results of 1916-1917 and 1917-1918—*continued.*

	TOTAL INDIA.						ENGLAND.			GRAND TOTAL.		
	Rupees.			Rupees converted into £ at R15=£1.								
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	£	£	£	£	£	£	£	£	£
1	33,06,18,976	32,41,67,000	34,19,78,000	22,041,265	21,611,100	22,798,600	...	...	...	22,041,265	21,611,100	22,798,600
2	4,74,00,073	4,60,28,000	4,78,77,000	3,160,005	3,068,500	3,191,800	...	...	...	3,160,005	3,068,500	3,191,800
3	7,23,93,891	8,20,92,000	5,23,83,000	4,826,260	5,472,800	3,492,200	...	...	...	4,826,260	5,472,800	3,492,200
4	8,66,50,437	8,61,75,000	8,30,70,000	5,776,696	5,745,000	5,938,000	...	...	...	5,776,696	5,745,000	5,938,000
5	13,82,38,495	15,11,52,000	15,97,05,000	9,215,899	10,076,800	10,647,000	...	...	...	9,215,899	10,076,800	10,647,000
6	4,70,859	4,31,000	4,38,000	31,391	28,700	29,200	...	...	...	31,391	28,700	29,200
7	12,98,87,728	16,80,63,000	16,22,16,000	8,659,182	11,204,200	10,814,400	...	...	...	8,659,182	11,204,200	10,814,400
8	5,65,94,493	9,11,37,000	9,49,99,000	3,772,967	6,075,800	6,333,200	...	...	...	3,772,967	6,075,800	6,333,200
9	3,70,61,930	3,97,21,000	4,02,64,000	2,470,795	2,648,100	2,684,300	...	...	...	2,470,795	2,648,100	2,684,300
10	81,08,728	80,01,000	81,39,000	540,581	533,400	542,600	...	...	...	540,581	535,400	542,600
11	91,86,440	92,66,000	92,19,000	612,429	617,800	614,600	...	...	...	612,429	617,800	614,600
12	91,66,12,055	1,00,62,33,000	1,00,62,88,000	61,107,470	67,082,200	67,085,900	...	...	...	61,107,470	67,082,200	67,085,900
13	1,29,18,693	1,38,44,000	1,39,95,000	861,246	922,900	933,000	275,258	1,322,400	2,619,600	1,136,504	2,245,300	3,552,600
14	6,22,98,544	6,66,64,000	7,04,94,000	4,153,236	4,444,300	4,699,600	21,371	47,800	83,200	4,174,607	4,492,100	4,782,800
15	1,03,47,982	79,61,000	56,40,000	689,866	530,700	376,000	...	...	...	689,866	530,700	376,000
16	62,21,988	65,26,000	66,09,000	414,799	435,100	440,600	...	...	...	414,799	435,100	440,600
17	51,85,865	59,29,000	57,93,000	345,725	395,200	386,200	...	...	...	345,725	395,200	386,200
18	23,24,759	19,96,000	25,95,000	154,984	133,100	173,000	54	...	...	155,038	133,100	173,000
19	18,51,285	15,79,000	16,33,000	123,419	105,300	108,900	...	...	...	123,419	105,300	108,900
20	44,74,169	48,35,000	46,92,000	298,278	322,300	312,800	...	...	...	298,278	322,300	312,800
21	12,56,587	13,95,009	14,58,000	83,772	93,000	97,200	356	300	300	84,128	93,300	97,500
22	4,75,000	4,97,000	4,40,000	31,667	33,100	29,300	...	...	...	31,667	33,100	29,300
23	13,66,671	16,05,000	21,34,000	91,111	107,000	1,42,300	...	...	...	91,111	107,000	142,300
24	29,23,047	45,21,000	39,68,000	194,870	301,400	264,500	678	900	1,000	195,548	302,300	265,500
25	2,60,79,371	2,88,83,000	2,93,22,000	1,738,625	1,925,500	1,954,800	1,088	1,200	1,300	1,739,713	1,926,700	1,956,100
26	26,00,678	26,16,000	26,45,000	173,379	174,400	176,300	46,486	39,600	38,100	219,865	214,000	214,400
27	14,40,506	14,08,000	13,96,000	96,034	93,800	93,100	...	...	...	96,034	93,800	93,100
28	16,70,564	1,50,00,000	...	111,371	1,000,000	...	...	...	...	111,371	1,000,000	...
29	60,34,127	1,63,75,000	1,44,18,000	402,275	1,091,700	961,200	17,985	200,400	26,500	420,260	1,292,100	987,700
30	1,17,45,875	3,53,99,000	1,84,59,000	783,059	2,359,900	1,230,600	64,471	240,000	64,600	847,530	2,599,900	1,295,200
31	62,77,46,086	68,25,00,000	70,50,00,000	41,849,739	45,500,000	47,000,000	114,861	107,200	500	41,964,600	45,607,200	47,000,500
32	*29,96,86,445*	*31,00,00,000*	*34,56,64,000*	*19,979,096*	*20,666,600*	*23,044,300*	...	...	...	*19,979,096*	*20,666,600*	*23,044,300*
33	*1,15,56,624*	*1,49,00,000*	*1,60,00,000*	*770,442*	*993,400*	*1,066,600*	...	...	...	*770,442*	*993,400*	*1,066,600*
34	31,65,03,017	35,76,00,000	34,33,36,000	21,100,201	23,840,000	22,889,100	114,861	107,200	500	21,215,062	23,947,200	22,889,600
35	4,37,631	5,10,000	2,42,000	29,175	34,000	16,100	69,560	70,400	78,000	98,735	104,400	94,100
36	31,69,40,648	35,81,10,000	34,35,78,000	21,129,376	23,874,000	22,905,200	184,421	177,600	78,500	21,313,797	24,051,600	22,983,700
37	4,51,68,395	4,50,37,000	4,63,88,000	3,011,227	3,002,500	3,092,500	...	...	...	3,011,227	3,002,500	3,092,500
38	2,74,06,628	2,78,88,000	2,88,21,000	1,827,108	1,859,200	1,921,400	...	...	...	1,827,108	1,859,200	1,921,400
39	47,59,342	46,95,000	45,97,000	317,289	313,000	306,500	...	...	...	317,289	313,000	306,500
40	7,73,34,365	7,76,20,000	7,98,06,000	5,155,624	5,174,700	5,320,400	...	...	...	5,155,624	5,174,700	5,320,400
41	46,40,587	47,83,000	45,74,000	309,373	318,900	304,900	...	...	...	309,373	318,900	304,900
42	1,05,14,895	1,11,87,000	1,16,52,000	700,993	745,800	776,800	292,201	244,300	246,000	993,194	990,100	1,022,800
43	12,55,667	12,46,000	12,49,000	83,711	83,100	83,300	38,613	38,000	38,000	122,324	121,100	121,300
44	54,75,072	45,15,000	46,29,000	365,005	301,000	308,600	22	...	...	365,027	301,000	308,600
45	14,31,014	13,50,000	12,00,000	95,401	90,000	80,000	...	...	...	95,401	90,000	80,000
46	1,86,76,648	1,82,98,000	1,87,30,000	1,245,110	1,219,900	1,248,700	330,836	282,300	284,000	1,575,946	1,502,200	1,532,700
47	1,45,75,94,768	1,61,77,95,000	1,59,08,86,000	97,172,985	107,853,000	106,059,100	877,445	2,071,300	3,131,200	98,050,430	109,924,300	109,190,300

No. 2.—ACCOUNT showing the ESTIMATED EXPENDITURE (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	INDIA, GENERAL.			N.-W. FRONTIER PROVINCE.			MADRAS.		
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues:									
Refunds and Drawbacks	77,939	2,52,000	1,08,000	27,503	23,000	26,000	7,74,583	7,70,000	1
Assignments and Compensations	34,25,420	38,48,000	41,45,000	17,842	18,000	18,000	13,03,177	13,17,000	2
Charges in respect of Collection, *viz.*:									
Land Revenue	7,34,545	7,49,000	7,56,000	6,57,547	6,77,000	7,27,000	1,22,76,233	1,25,17,000	3
Opium (including cost of Production)	6,856	5,000	5,000	...	...		...	...	4
Salt (including cost of Production)	13,90,928	16,67,000	21,76,000	...	...	...	17,86,343	18,11,000	5
Stamps	—13,06,285	—14,00,000	—14,13,000	28,260	25,000	29,000	4,46,380	4,96,000	6
Excise	1,25,269	1,28,000	1,51,000	15,548	16,000	16,000	18,16,051	18,15,000	7
Customs	...	...	...	...	...	...	4,30,734	4,33,000	8
Income Tax	3,409	5,000	5,000	903	1,000	4,000	66,159	68,000	9
Forest	10,98,860	10,80,000	13,01,000	1,18,070	1,55,000	1,74,000	28,42,678	29,48,000	10
Registration	16,221	17,000	16,000	12,066	13,000	13,000	13,12,239	13,41,000	11
Total	55,71,162	63,51,000	72,50,000	8,77,739	9,28,000	10,07,000	2,30,54,577	2,35,16,000	12
Interest:									
Interest on Debt	5,33,25,018	9,11,07,000	10,29,77,000	...	...	...	3,28,482	3,52,000	13
Deduct—Amounts chargeable to Railways (a)	*6,20,88,181*	*6,34,16,000*	*6,51,65,000*	...	...	...	...	...	14
Deduct—Amounts chargeable to Irrigation	*1,93,89,288*	*1,98,08,000*	*2,02,24,000*	...	...	...	...	...	15
Remainder chargeable on Ordinary Debt	—2,81,52,451	78,83,000	1,75,88,000	...	...	...	3,28,482	3,52,000	16
Interest on other Obligations	85,02,667	1,00,91,000	1,10,22,000	206	...	...	2,22,248	2,55,000	17
Total	—1,96,49,784	1,79,74,000	2,86,10,000	206	...	...	5,50,730	6,07,000	18
Posts and Telegraphs	4,68,40,348	4,90,93,000	5,23,47,000	...	...	...	...	...	19
Mint	12,98,740	11,80,000	10,64,000	...	...	...	...	...	20
Salaries and Expenses of Civil Departments:									
General Administration	70,64,216	72,17,000	70,50,000	3,61,994	3,98,000	4,15,000	20,48,839	22,18,000	21
Law and Justice:									22
Courts of Law	5,58,590	4,84,000	4,20,000	6,64,690	6,89,000	7,16,000	85,47,219	86,26,000	23
Jails	22,43,002	22,85,000	22,95,000	3,07,717	3,10,000	3,29,000	15,63,198	16,04,000	24
Police	22,30,781	24,04,000	25,07,000	22,06,427	25,94,000	28,23,000	1,14,74,811	1,17,41,000	25
Ports and Pilotage	...	...	...	...	...	...	37,017	48,000	26
Education	10,18,784	11,03,000	14,28,000	5,17,061	5,83,000	6,97,000	83,17,005	92,26,000	27
Ecclesiastical	2,11,518	2,14,000	2,18,000	53,955	64,000	65,000	3,27,254	3,50,000	28
Medical	9,96,682	10,92,000	11,50,000	1,82,796	1,60,000	1,92,000	17,99,320	22,54,000	29
Sanitation	9,24,245	7,19,000	17,66,000	2,21,002	2,09,000	1,57,000	17,04,832	16,12,000	30
Political	1,15,00,319	2,48,18,000	2,98,60,000	37,09,366	43,70,000	47,85,000	1,45,265	1,88,000	31
Agriculture	8,69,966	10,77,000	10,69,000	61,623	80,000	1,44,000	12,00,524	13,07,000	32
Scientific and Miscellaneous Departments	35,06,002	38,67,000	38,07,000	16,052	11,000	11,000	12,28,215	14,01,000	33
Total	3,11,24,135	4,52,80,000	5,15,70,000	83,02,683	94,68,000	1,03,34,000	3,83,93,499	4,05,75,000	
Miscellaneous Civil Charges:									
Territorial and Political Pensions	1,90,326	1,85,000	2,03,000	59,933	61,000	61,000	3,08,126	2,91,000	34
Civil Furlough and Absentee Allowances	4,209	9,000	4,000	...	...	...	7,229	6,000	35
Superannuation Allowances and Pensions	14,89,757	15,31,000	14,95,000	1,76,962	1,85,000	1,95,000	33,48,638	34,04,000	36
Stationery and Printing	15,79,173	31,72,000	19,81,000	1,19,722	1,23,000	1,35,000	16,91,639	22,72,000	37
Miscellaneous	27,27,535	26,78,000	13,88,000	42,425	40,000	55,000	5,05,597	5,68,000	38
Total	59,91,000	75,75,000	50,71,000	3,99,042	4,09,000	4,46,000	58,61,229	65,41,000	39
Famine Relief and Insurance:									
Famine Relief	5,06,061	...	...	...	...	...	6,841	1,000	40
Construction of Protective Railways	—7,146	1,000	—8,000	...	...	...	...	...	41
Construction of Protective Irrigation Works	...	...	4,29,000	...	...	...	2,70,293	2,48,000	42
Reduction or Avoidance of Debt	57,10,293	95,95,000	83,02,000	...	...	...	2,50,000	...	43
Total	62,09,208	95,96,000	87,23,000	...	...	...	5,27,134	2,49,000	44
Carried forward	7,73,84,809	13,70,49,000	15,46,35,000	95,79,670	1,08,05,000	1,17,87,000	6,83,87,169	7,14,88,000	45

	ACCOUNTS, 1916-1917.			
	India	India converted into £ at R15=£1.	England.	TOTAL.
(a) Included under the following heads:—	Rs.	£	£	£
State Railways: Interest on Debt	6,18,29,856	4,121,990	3,538,860	7,660,850
Interest chargeable against Companies on Advances	2,58,325	17,222	81,250	98,472
TOTAL	6,20,88,181	4,139,212	3,620,110	7,759,322

in each of the PROVINCES of *British India*, and in *England*, for 1918-1919.
RESULTS OF 1916-1917 and 1917-1918.

		Bombay.			Bengal.			Carried forward.		
	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	7,61,000	38,00,271	39,19,000	37,37,000	13,80,133	18,20,000	14,54,000	55,60,429	67,84,000	60,86,000
2	13,38,000	1,06,98,723	1,10,05,000	1,09,75,000	1,74,139	2,16,000	2,53,000	1,56,19,301	1,64,04,000	1,67,29,000
3	1,27,63,000	82,57,931	86,30,000	89,29,000	52,36,901	53,38,000	58,28,000	2,71,63,157	2,79,11,000	2,90,03,000
4	...	...	...	...	24,251	30,000	30,000	31,107	35,000	35,000
5	22,57,000	23,77,595	25,13,000	25,81,000	2,70,347	2,66,000	2,75,000	58,25,213	62,57,000	72,89,000
6	4,52,000	2,59,181	2,88,000	2,96,000	6,26,371	6,84,000	7,37,000	53,907	93,000	1,01,000
7	18,42,000	11,23,723	11,51,000	11,61,000	9,39,493	10,21,000	10,85,000	40,18,084	41,31,000	42,55,000
8	4,49,000	15,60,573	16,95,000	17,51,000	13,35,938	13,18,000	14,07,000	33,27,245	34,46,000	36,07,000
9	68,000	1,79,298	2,09,000	2,45,000	1,62,754	1,83,000	1,88,000	4,12 523	4,66,000	5,10,000
10	30,17,000	25,64,782	33,95,000	36,88,000	6,19,649	7,30,000	7,50,000	72,43,939	83,08,000	89,30,000
11	13,53,000	3,71,704	3,88,000	3,97,000	11,34,770	11,60,000	11,57,000	28,47,000	29,19,000	29,36,000
12	2,43,00,000	3,06,93,681	3,31,93,000	3,37,60,000	1,19,04,746	1,27,66,000	1,31,64,000	7 21 01 905	7,67,54,000	7,94,81,000
13	3,86,000	6,47,744	5,56,000	4,99,000	5,01,745	4,71,000	4,53,000	5,48,02,989	9,24,86,000	10,43,15,000
14	...	...	...	...	...	...	...	*6,20,88,181*	*6,34,16,000*	*6,51,65,000*
15	...	...	...	...	...	...	...	*1,93,89,288*	*1,98,08,000*	*2,02,24,000*
16	3,86,000	6,47,744	5,56,000	4,99,000	5,01,745	4,71,000	4,53,000	–2,63,74,480	92,62,000	1,89,26,000
17	2,85,000	5,19,640	5,21,000	5,57,000	1,97,192	2,32,000	2,73,000	94,41,953	1,10,99,000	1,21,37,000
18	6 71,000	11,67,584	10,77,000	10 56 000	6,98,937	7,03,000	7,26,000	–1,72,32,527	2,03,61,000	3,10,63,000
19	...	...	...	...	...	...	...	4,68,40,348	4,90,93,000	5,23,47,000
20	...	10,81,199	11,83,000	12 23,000	...	...	...	23,79,939	23,68,000	22,87,000
21	20,92,000	28,55,714	29,58,000	29,84,000	30,02,782	30,40,000	30,29,000	1,53,33,545	1,58,31,000	1,55,70,000
22	89,13,000	56,15.539	56,80,000	58,98,000	99,20,187	1,00,10,000	1,01,75,000	2,53,06,225	2,54,89,000	2,61,22,000
23	16,03,000	13,24.818	13,65,000	13,97,000	27,96,318	30,64,000	30,03.000	82,45,083	86,28,000	86,27,000
24	1,20,73,000	1,06,16,374	1,06,69,000	1,14,30,000	1,16,57,283	1,22,84,000	1,37,85,000	3,81,35,676	3,96,92,000	4,26,18,000
25	43,000	1,23,771	1,11,000	1,22,000	11,15,029	10,35,000	11,12,000	12.75,817	11,94,000	12,77,000
26	~~1,12~~ 98,000	76,01,881	77,18,000	1,21,42,000	76,87,152	81,14,000	1,03,01,000	2,51,41,883	2,67,44,000	3,58,66,000
27	3,55,000	3,61,023	3,65,000	3,83,000	1,70,542	1,72,000	1,72,000	11,24,292	11,65,000	11,93,000
28	26,34,000	19,17,471	20,30,000	22,91,000	23,36,330	27,75,000	26,86,000	72,32,599	83,11,000	89 53.000
29	14,38,000	4,61,198	8,37,000	24,74,000	3 93.456	6,10,000	11,71,000	37,04,733	39,87,000	70 06,000
30	2,00,000	9,47,111	9,90,000	10,42,000	94,780	3,04,000	3,05,000	1,63,96,871	3,06,70,000	3,61 92,000
31	15,68,000	12,60,166	14,31,000	16,89,000	10,86,600	11,55,000	14,20,000	44,78,879	50,50,000	58,90,000
32	17,77,000	1,64,418	2,93,000	3,63,000	4,71,597	6,62,000	19,62,000	53,86,284	62,34,000	79,20,000
33	4,89,94,000	3,32,59,514	3,44,47,000	4,22,15,000	4,07,32 056	4,32,25,000	4,91,21,000	15,18,11,887	17,29,95,000	19,72,34,000
34	2,90,000	4,64,510	4,56,000	4,60,000	7,25,551	7,21,000	7,20,000	17,48,446	17,14,000	17,34,000
35	6,000	5,421	7,000	5,000	...	...	1,000	16,859	22,000	16,000
36	35,93 000	39,39,301	41,33,000	43,16,000	33,35,138	34,36,000	35,65,000	1,22,89,796	1,26,89,000	1,31,64,000
37	22,63,000	21,17,648	20,73,000	25,62,000	13,72,905	15,84,000	15,88,000	68,31,087	92,24,000	85,29,000
38	15,41,000	9,25,317	11,95,000	13,60,000	4,18,371	5,36,000	10,76,000	46,19,245	50,17,000	54,20,000
39	76,93,000	74,52.197	78,64,000	87,03,000	58,51,965	62,77,000	69,50,000	2,55,55,433	2,86,66,000	2,88,63,000
40	...	55,429	2,000	..	7,14,474	...	...	12,82,805	3,000	...
41	...	...	...	...	...	...	...	—7,146	1,000	—3,000
42	2,28,000	24,92,154	27,40,000	30,41,000	470	1,000	5,000	27,62,917	29,89,000	37,03,000
43	...	3,78,586	...	...	60,000	...	...	63,92,879	95,95,000	83,02,000
44	2,28,000	29,26,169	27,42,000	30,41,000	7,74,944	1,000	5,000	1,04.37.455	1,25,88,000	1,19,97,000
45	7,68,86,000	7,65,80,144	8,05,11,000	8,99,98,000	5,99,62,648	6,29,72,000	6,99,66,000	29,18,94,440	36,28,25,000	40,32,72,000

Revised Estimate, 1917-1918.				Budget Estimate, 1918-1919.			
India.	India converted into £ at R15=£1.	England.	Total.	India.	India converted into £ at R15=£1.	England.	Total.
Rs.	£	£	£	Rs.	£	£	£
6,31,59,000	4,210,600	3,518,800	7,729,400	6,49,03,000	4,326,900	3,507,400	7,834,300
2,57,000	17,200	81,200	98,400	2,62,000	17,400	81,200	98,600
6,34,16,000	4,227,800	3,600,000	7,827,800	6,51,65,000	4,344,300	3,588,600	7,932,900

No. 2.—Account showing the Estimated Expenditure (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	BROUGHT FORWARD.			UNITED PROVINCES OF AGRA AND OUDH.			PUNJAB.		
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	
Direct Demands on the Revenues:	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Refunds and Drawbacks	55,60,429	67,84,000	60,86,000	2,84,484	2,86,000	3,14,000	2,04,669	2,42,000	1
Assignments and Compensations	1,56,19,301	1,64,04,000	1,67,29,000	3,31,216	3,37,000	3,28,000	1,00,292	96,000	2
Charges in respect of Collection, *viz.*:									
Land Revenue	2,71,63,157	2,79,11,000	2,90,03,000	95,69,444	96,55,000	97,76,000	47,29,433	48,10,000	3
Opium (including cost of Production)	31,107	35,000	35,000	1,36,42,549	1,66,72,000	1,87,61,000	...	...	4
Salt (including cost of Production)	58,25,213	62,57,000	72,89,000	...	...	...	...	...	5
Stamps	53 907	93,000	1,01,000	2,58,580	2,90,000	2,87,000	1,76,799	1,90,000	6
Excise	40,18,084	41,31,000	42,55,000	4,86,016	4,87,000	5,10,000	2,3.,891	2,42,000	7
Customs	33,27,245	34,46,000	36,07,000	...	...	...	..	...	8
Income Tax	4,12 523	4,66,000	5,10,000	... 62	...	20,000	26,587	31,000	9
Forest	72,43 939	83,08,000	89,30,000	27,35,915	31,84,000	36,18,000	9,34,662	10,99,000	10
Registration	28,47,000	29,19,000	29,36,000	3,02,871	3,04,000	3,07,000	1,24,082	1,25,000	11
Total	7,21,01,905	7,67,54,000	7,94,81,000	2,76,11,137	3,12,15,000	3,39,21,000	65,29,115	68,35,000	12
Interest:									
Interest on Debt	5,48,02,989	9,24,86,000	10,43,15,000	11,48,619	10,34,000	10,15,000	1,94,291	1,95,000	13
Deduct—Amounts chargeable to Railways	*6,20,88,181*	*6,34,16,000*	*6,51,65,000*	...	...		...	...	14
„ „ Irrigation	*1,93,89,288*	*1,98,08,000*	*2,02,24,000*	...	...		...	...	15
Remainder chargeable on Ordinary Debt	–2,66,74,480	92,62,000	1,80,26,000	11,48,619	10,34,000	10,15,000	1,94,291	1,95,000	16
Interest on other Obligations	94,41,953	1,10,99,000	1,21,37,000	8,75,706	9,09,000	9,56,000	1,64,584	1,85,000	17
Total	–1,72,32,527	2,03,61,000	3,10,63,000	20,24,325	19,43,000	19,71,000	3,58,875	3,80,000	18
Posts and Telegraphs	4,68,40,348	4,90,93,000	5,23,47,000	...	...	...	...	...	19
Mint	23,79,939	23,68,000	22,87,000	...	...	...	...	...	20
Salaries and Expenses of Civil Departments:									
General Administration	1,53,33,545	1,58,31,000	1,55,70,000	22,01,854	22,29,000	22,69,000	16,87,152	16,62,000	21
Law and Justice:									
Courts of Law	2,53,06,225	2,54,89,000	2,61,22,000	67,48,239	66,90,000	67,58,000	44,95,204	44,85,000	22
Jails	82,45,083	86,28,000	86,27,000	23,27,153	22,81,000	24,28,000	17,61,295	19,14,000	23
Police	3,81,85,676	3,96,92,000	4,26,18,000	1,25,18,155	1,26,26,000	1,31,86,000	64,52,125	65,90,000	24
Ports and Pilotage	12,75,817	11,94,000	12,77,000	...	...	...	...	...	25
Education	2,51,41,883	2,67,44,000	3,58,66,000	62,26,532	68,78,000	74,34,000	42,78,524	44,61,000	26
Ecclesiastical	11,24,292	11,65,000	11,93,000	2,46,495	2,38,000	2,56,000	2,44,868	2,43,000	27
Medical	72,32,599	83,11,000	89,53,000	13,61,327	13,80,000	14,14,000	8,03,440	8,90,000	28
Sanitation	37,04,733	39,87,000	70,06,000	13,73,996	15,23,000	15,84,000	8,08,780	9,50,000	29
Political	1,63,96,871	3,06,70,000	3,61,92,000	1,44,372	1,38,000	1,46,000	6,15,273	5,88,000	30
Agriculture	44,78,879	50,50,000	58,90,000	11,90,354	15,18,000	19,40,000	12,41,220	13,39,000	31
Scientific and Miscellaneous Departments	53,86,284	62,34,000	79,20,000	1,13,013	96,000	1,01,000	1,48,452	1,55,000	32
Total	15,18,11,887	17,29,95,000	19,72,34,000	3,44,51,490	3,55,96,000	3,75,16,000	2,25,36,333	2,32,77,000	33
Miscellaneous Civil Charges:									
Territorial and Political Pensions	17,48,446	17,14,000	17,34,000	7,89,285	7,41,000	7,82,000	70,626	71,000	34
Civil Furlough and Absentee Allowances	16,859	22,000	16,000	713	1,000	1,000	...	...	35
Superannuation Allowances and Pensions	1,22,89,796	1,26,89,000	1,31,64,000	37,69,116	39,03,000	40,38,000	24,26,836	25,84,000	36
Stationery and Printing	68,81,087	92,24,000	85,29,000	9,10,169	9,13,000	10,50,000	7,19,808	7,98,000	37
Miscellaneous	46,19,245	50,17,000	54,20,000	3,21,352	3,12,000	13,31,000	5,75,729	15,21,000	38
Total	2,55,55,433	2,86,66,000	2,88,63,000	57,90,635	58,70,000	72,02,000	37,96,059	49,74,000	39
Famine Relief and Insurance:									
Famine Relief	12,82,805	3,000	...	78,443	4,000	6,000	12,51,180	50,000	40
Construction of Protective Railways	—7,146	1,000	—8,000	...	...	...	...	...	41
Construction of Protective Irrigation Works	27,62,917	29,89,000	37,03,000	8,90,133	7,20,000	4,43,000	...	...	42
Reduction or Avoidance of Debt	63,98,879	95,95,000	83,02,000	4,50,000	...	...	1,40,000	...	43
Total	1,04,37,455	1,25,88,000	1,19,97,000	14,18,576	7,24,000	4,49,000	13,91,180	50,000	44
Carried forward	29,18 94,440	36,28,25,000	40,32,72,000	7,12,96,163	7,53,48,000	8,10,59,000	3,46,11,562	3,55,16,000	45

in each of the Provinces of *British India*, and in *England*, for 1918-1919, Results of 1916-1917 and 1917-1918—*continued*.

		Burma.			Bihar and Orissa.			Carried forward.		
	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	1,89,000	9,00,604	9,22,000	9,01,000	1,07,940	1,00,000	1,13,000	70,58,126	83,34,000	76,03,000
2	1,00,000	200	1,000	1,000	1,01,819	1,07,000	1,07,000	1,61,53,528	1,69,45,000	1,72,65,000
3	55,45,000	68,54,578	65,52,000	69,01,000	32,14,276	33,42,000	34,39,000	5,15,30,888	5,22,70,000	5,46,64,000
4	...	...	...	...	...	...	...	1,36,73,656	1,67,07,000	1,87,96,000
5	...	44,837	45,000	46,000	76,000	76,000	76,000	59,46,050	63,78,000	74,11,000
6	2,03,000	1,00,503	92,000	98,000	1,91,031	2,24,000	2,32,000	7,80,820	8,89,000	9,21,000
7	2,60,000	12,54,379	12,47,000	12,83,000	5,81,814	6,03,000	6,43,000	65,72,184	67,10,000	69,51,000
8	...	7,20,296	7,58,000	7,69,000	14,907	16,000	17,000	40,62,448	42,20,000	43,93,000
9	82,000	49,125	56,000	68,000	45,459	46,000	46,000	5,33,756	5,99,000	7,26,000
10	15,72,000	49,36,588	53,81,000	54,22,000	4,47,972	4,09,000	4,34,000	1,62,99,076	1,83,81,000	1,99,76,000
11	1,30,000	1,08,007	1,06,000	1,05,000	3,79,001	3,74,000	3,94,000	37,60,961	38,28,000	38,72,000
12	80,81,000	1,49,69,117	1,51,60,000	1,55,94,000	51,60,219	52,97,000	55,01,000	12,63,71,493	13,52,61,000	14,25,78,000
13	2,04,000	1,14,457	1,53,000	1,57,000	1,12,863	1,12,000	1,16,000	5,63,73,219	9,39,80,000	10,58,07,000
14	...	...	...	...	...	...	...	*6,20,88,181*	*6,34,16,000*	*6,51,65,000*
								1,93,89,288	*1,98,08,000*	*2,02,24,000*
15	...	...	...	...	...	...	...			
16	2,04,000	1,14,457	1,53,000	1,57,000	1,12,863	1,12,000	1,16,000	—2,51,04,250	1,07,56,000	2,04,18,000
17	2,05,000	1,19,432	1,35,000	1,51,000	1,08,096	1,39,000	1,42,000	1,07,09,771	1,24,67,000	1,35,91,000
18	4,09,000	2,33,889	2,88,000	3,08,000	2,20,959	2,51,000	2,58,000	—1,43,94,479	2,32,23,000	3,40,09,000
19	...	...	...	...	...	...	...	4,68,40,348	4,90,98,000	5,23,47,000
20	...	...	...	...	...	...	...	23,79,939	23,68,000	22,87,000
21	17,24,000	23,50,750	23,87,000	22,82,000	16,92,897	17,42,000	16,99,000	2,32,66,198	2,38,51,000	2,35,44,000
22	47,14,000	50,68 888	49,23,000	49,57,000	41,02,172	42,44,000	42,33,000	4,57,20,228	4,58,31,000	4,67,84,000
23	20,44,000	15,68,363	16,42,000	15,46,000	14 22,827	15,88,000	15,98,000	1,53,24,621	1,60,53,000	1,62,43,000
24	69,49,000	1,37,01,907	1,33,15,000	1,36,03,000	46,98,196	50,72,000	54,59,000	7,55,56,059	7,72,95,000	8,18,15,000
25	...	16,47,384	16,49,000	16,67,000	6,071	6,000	6,000	29,29 272	28,49,000	29,50,000
26	54,77,000	30,84,334	35,15,000	41,25,000	36,87,173	40,34,000	47,39,000	4,24,18,446	4,56,72,000	5,76,41,000
27	2,50,000	1.45,878	1,44,000	1,46,000	34,451	37,000	39,000	17,95,984	18,27,000	19,14,000
28	11,57,000	16 71,842	17,17,000	17,34,000	6,62,846	8,03,000	8,11,000	1,17,32,054	1,31,01,000	1,40,69,000
29	8,18,000	9,03,407	9,14,000	9,15,000	2,54,466	3,14,000	5,42,000	70.45,382	76,87,000	1,05,65,000
30	5,54,000	10,94,813	11,77,000	15,94,000	48.925	60.000	54,000	1,83 00 254	3,26,33,000	3,85,70,000
31	18,54,000	6,35,179	7,17,000	7,52,000	4,52,2.9	5,86,000	7,06,000	79,97,871	92,10,000	1,11,42,000
32	1,57,000	1,33,861	1,24,000	1,36,000	28,732	43,000	32,000	58,10,342	66,52,000	83,46,000
33	2,57,58,000	3,20,06,006	3,22,24,000	3,34,57,000	1,70,90,995	1,85,29,000	1,99,18,000	25,78,96,711	28,26,21,000	31,28,83,000
34	71,000	1,23,034	1,23,000	1,27,000	47,415	77,000	53,000	27,78,866	27,26,000	27,67,000
35	...	23	...	...	5,047	3,000	3,000	22,642	26,000	20,000
36	27,24,000	11,43,242	12,24,000	12,86,000	10,10,846	10,09,000	10,09,000	2,06,39,836	2,14,09,000	2,22,21,000
37	8,36,000	6,78,410	6,9.,000	8,45,000	3,65,436	7,61,000	7,93,000	98,54,910	1,23,91,000	1,20,53,000
38	21,39,000	5,81,666	5,65,000	5,63,000	1,81,416	2,80,000	2,93,000	62,82,408	76,95,000	97,46,000
39	57,70,000	25,26,375	26,07,000	28,21,000	19,10,160	21,80,000	21,51,000	3,95,78,662	4,42,47,000	4,68,07,000
40	6,00,000	...	...	...	2,01,826	21,000	...	28,14,254	78,000	6,06,000
41	...	...	...	...	...	...	...	—7,146	1,000	—8,000
42	...	...	...	...	1,02,288	1,19,000	2,15,000	37,55,338	38,28,000	43,61,000
43	...	...	...	...	2,00,000	...	...	71,88,879	95,95,000	83,02,000
44	6,00,000	...	...	...	5,04,114	1,40,000	2,15,000	1,37,51,325	1,35,02,000	1,32,61,000
45	4,06,18,000	4,97,35,387	5,03,79,000	5,21,80,000	2,48,86,447	2,63,47,000	2,80,43,000	47,24,23,999	55,03,15,000	60,51,72,000

No. 2.—Account showing the Estimated Expenditure (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	Brought forward.			Central Provinces and Berar.			Assam.			
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	
Direct Demands on the Revenues:	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Refunds and Drawbacks	70,58,126	83,34,000	76,03,000	80,393	1,00,000	97,000	41,953	52,000	50,000	1
Assignments and Compensations	1,61,53,528	1,69,45,000	1,72,65,000	25,53,883	25,57,000	25,54,000	47,946	53,000	56,000	2
Charges in respect of Collection, *viz.*:—										
Land Revenue	5,15,30 888	5,22,70,000	5,46,64,000	39,98,035	39,70,000	40,65,000	16,43,845	16,11,000	15,82,000	3
Opium (including cost of Production)	1,86,73,656	1,67,07,000	1,87,96,000	...	...	...	...	...	...	4
Salt (including cost of Production)	59,46,050	63,78,000	74,11,000	...	...	...	849	1,000	1,000	5
Stamps	7,80,820	8,89,000	9,21,000	1,18,406	1,24,000	1,30,000	48,680	51,000	50,000	6
Excise	65,72,184	67,10,000	69,51,000	4,81,576	5,28,000	5,51,000	1,20,539	1,20,000	2,52,000	7
Customs	40,62 448	42,20,000	43,93,000	...	...	...	...	...	...	8
Income Tax	5,33,756	5,99,000	7,26,000	18,235	30,000	42 000	4,689	5,000	5,000	9
Forest	1,62,99,076	1,83 81,000	1,99 76,000	17,68,775	18,66,000	19,25,000	6,76,033	7,41,000	7,29,000	10
Registration	37,60,961	38,28,000	38,72,000	1,27,554	1,60,000	1,60,000	67,906	70,000	75,000	11
Total	12,63,71,493	13,52,61,000	14,25,78,000	91,46,857	93,35,000	95 24,000	26,52,440	27,04,000	28,00,000	12
Interest:										
Interest on Debt	5,63,73,219	9,39,80,000	10,58,07,000	1,77,075	1,54,000	1,48,000	1,16,901	1,66,000	1,45,000	13
Deduct—Amounts chargeable to Railways	*6,20,88,181*	*6,34,16,000*	*6,51,65,000*	...	...	...	...	...	...	14
Deduct—Amounts chargeable to Irrigation	*1,93,89,288*	*1,98,08,000*	*2,02,24,000*	...	...	...	...	...	...	15
Remainder chargeable on Ordinary Debt	—2,51,04,250	1,07,56,000	2,04,18,000	1,77,075	1,54,000	1,48,000	1,16,901	1,66,000	1,45,000	16
Interest on other Obligations	1,07,09,771	1 24,67,000	1,35,91,000	94,008	1,07,000	1,19,000	37,398	42,000	45,000	17
Total	—1,43,94,479	2,32,23,000	3,40,09,000	2,71,083	2,61,000	2,67,000	1,54,299	2,08,000	1,90,000	18
Posts and Telegraphs	4,68,40,348	4,90,93,000	5,23,47,000	...	...	...	...	...	...	19
Mint	23,79,939	23,68,000	22,87,000	...	...	...	...	...	...	20
Salaries and Expenses of Civil Departments:										
General Administration	2,32,66,198	2,38,51,000	2,35,44,000	11,64,963	12,06,000	12,17,000	7,54,806	7,80,000	7,88,000	21
Law and Justice:										22
Courts of Law	4,57,20,228	4,58 31,000	4,67,84,000	28,50,990	29,93,000	30,67,000	10,27,425	10,50,000	10,52,000	23
Jails	1,53,24,621	1,60,53,000	1,62,43,000	6,62 816	6,92,000	7,21,000	3,06,686	3,24,000	3,42,000	24
Police	7,55,56,059	7,72,95,000	8,18,15,000	34,72,855	35,65,000	37,00,000	23,33 931	23,27,000	24,82,000	25
Ports and Pilotage	29,29.272	28,49.000	29,50,000	...	...	...	65,756	66,000	64,000	26
Education	4,24,18.446	4,56,32,000	5,76,41,000	29,96,350	34,37,000	36,89,000	14,39 231	15,07,000	18,35,000	27
Ecclesiastical	17,95,984	18,27,000	19,14,000	1 10,532	1,04,000	1,10,000	18 843	24,000	24,000	28
Medical	1,17,32,054	1,31,01,000	1,40,69,000	7,13,854	8,17,000	9,24,000	5,26,400	5,42,000	5,49,000	29
Sanitation	70,45,382	76.87,000	1,08,65.000	5,90,997	7,91,000	6,31,000	1,42,872	1,91,000	2,12,000	30
Political	1,83,00,264	3,26,33.000	3,85,70,000	37,605	46,000	45,000	5,67.560	5,54,000	6,07,000	31
Agriculture	79,97,871	92,10,000	1,11,42,000	8,34,255	8,65,000	10,17,000	2,82,892	3,24,000	3,81,000	
Scientific and Miscellaneous Departments	58,10,342	66,52,000	83,46,000	93,969	1,41,000	1,93,000	77,020	78,000	89,000	32
Total	25,78,96,711	28,26,21,000	31,88,83,000	1,35,29,186	1,46,57,000	1,53,14,000	75,43,422	77,67,000	84,25,000	33
Miscellaneous Civil Charges:										
Territorial and Political Pensions	27,78,866	27,26,000	27,67,000	1,74,837	1,75,000	1,77,000	7,570	8,000	8,000	34
Civil Furlough and Absentee Allowances	22,642	26,000	20,000	...	...	...	...	...	...	35
Superannuation Allowances and Pensions	2,06,89,836	2,14,09,000	2,22,21,000	10,31,240	11,17,000	11,43,000	3,41,042	3,27,000	3,45,000	36
Stationery and Printing	93,54,910	1,23.91,000	1,20,53,000	3,38,479	3,29,000	4,14,000	1,65,380	1,70,000	1,84,000	37
Miscellaneous	62,82,408	76,95,000	97,46,000	1,50,968	2,05,000	4,83,000	5,36,445	4,87,000	5,30,000	38
Total	3 95,76 662	4.42,47,000	4,68,07,000	16.95.524	18,86.000	22,17,000	10,50,437	9,92,000	10,67,000	39
Famine Relief and Insurance:										
Famine Relief	28,14,254	78,000	6,06,000	...	...	...	...	20,000	...	40
Construction of Protective Railways	—7.146	1,000	—8,000	...	...	...	...	...	...	41
Construction of Protective Irrigation Works	37,55,338	38,28,000	43,61,000	12,31,678	14,57,000	15,80,000	...	...	...	42
Reduction or Avoidance of Debt	71,88,879	95,95,000	83,02,000	...	...	...	...	...	...	43
Total	1,37,51,325	1,35,02,000	1,32,61,000	12,31,678	14,57,000	15,80,000	...	20,000	...	44
Carried forward	47,24,23,999	55,03,15.000	60,51,72,000	2,58,74,328	2,75,96,000	2,89,02,000	1,14,00,598	1,16,91,000	1,24,82,000	45

in each of the Provinces of *British India*, and in *England*, for 1918-1919,
Results of 1915-1916 and 1917-1918—*continued*.

	TOTAL INDIA.						ENGLAND.			GRAND TOTAL.		
	Rupees.			Rupees converted into £ at R15=£1.								
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	£	£	£	£	£	£	£	£	£
1	71,80,472	84,86,000	77,50,000	478,698	565,700	516,700	...	...	...	478,698	565,700	516,700
2	1,87,55,357	1,95,55,000	1,98,75,000	1,250,357	1,303,700	1,325,000	...	...	...	1,250,357	1,303,700	1,325,000
3	5,71,72,768	5,78,51,000	6,03,11,000	3,811,518	3,856,700	4,020,700	1,615	2,100	1,500	3,813,133	3,858,800	4,022,200
4	1,36,73,656	1,67,07,000	1,87,96,000	911,577	1,113,800	1,253,100	817	1,400	1,200	912,394	1,115,200	1,254,300
5	59,46,899	63,79,000	74,12,000	396,460	425,360	494,100	1,726	600	2,500	398,186	425,900	496,600
6	9,47,906	10,64,000	11,01,000	63,194	70,900	73,400	110,272	125,000	120,000	173,466	195,900	193,400
7	71,74,299	73,58,000	77,54,000	478,287	490,500	516,900	345	400	200	478,632	490,900	517,100
8	40,62,448	42,20,000	43,93,000	270,830	281,400	292,900	334	200	100	271,164	281,600	293,000
9	5,56,680	6,34,000	7,73,000	37,112	42,300	51,500	...	...	...	37,112	42,300	51,500
10	1,87,43,884	2,09,88,000	2,26,30,000	1,249,592	1,399,200	1,508,700	2,173	600	2,500	1,251,765	1,399,800	1,511,200
11	39,56,421	40,58,000	41,07,000	263,761	270,500	273,800	...	...	...	263,761	270,500	273,800
12	13,81,70,790	14,73,00,000	15,49,02,000	9,211,386	9,820,000	10,326,800	117,282	130,300	128,000	9,328,668	9,950,300	10,454,800
13	5,66,67,195	9,43,00,000	10,61,00,000	3,777,813	6,286,700	7,073,300	5,846,832	9,938,800	9,196,200	9,624,645	16,225,500	16,269,500
14	*6,20,88,181*	*6,34,16,000*	*6,51,65,000*	*4,139,212*	*4,227,800*	*4,344,300*	*3,620,110*	*3,600,000*	*3,588,600*	*7,759,322*	*7,827,800*	*7,932,900*
15	*1,93,89,288*	*1,98,08,000*	*2,02,24,000*	*1,292,620*	*1,320,500*	*1,348,300*	*120,585*	*120,800*	*121,000*	*1,413,205*	*1,441,300*	*1,469,300*
16	*—2,48,10,274*	1,10,76,000	2,07,11,000	*—1,654,019*	738,400	1,380,700	2,106,137	6,218,000	5,486,600	452,118	6,956,400	6,867,300
17	1,08,41,177	1 26,16,000	1,37,55,000	722,746	841,100	917,000	...	...	...	722,746	841,100	917,000
18	—1,39,09,097	2,36,92,000	3,44,66,000	*—931,273*	1,579 500	2,297,700	2,106,137	6,218,000	5,486,600	1,174,864	7,797,500	7,784,300
19	4,68,40,348	4,90,93,000	5,23,47,000	3,122,690	3,272,900	3,489,800	318,697	326,100	441,600	3,441,387	3,599,000	3,931,400
20	23,79,939	23,68,000	22,87,000	158,662	157,800	152,500	8,749	22,000	17,500	167,411	179,800	170,000
21	2,51,85,967	2,58,37,000	2,55,49,000	1,679,065	1,722,500	1,703,300	404,072	500,600	560,200	2,083,137	2,223,100	2,263,500
22	4 95,98 643	4,98,74,000	5,09,03,000	3,306,576	3,324,900	3,393,600	450	1,400	800	3,307,026	3,326,300	3,394,400
23	1,62,94,123	1,70,69,000	1,73,06,000	1,086,275	1,137,900	1,153,700	147	...	...	1,086,422	1,137 900	1,153,700
24	8,13,62,845	8,31 87,000	8,79,97,000	5,424,190	5,545,800	5,866,500	...	200	100	5,424,190	5,546,000	5,866,600
25	29 95 028	29,15,000	30,14,000	199,668	194,300	200,900	...	..	...	199,668	194,300	200,900
26	4,68,54,027	5,05,76 000	6,31,65,000	3,123,602	3,371,800	4,211,000	9,346	12,000	10,500	3,132,948	3,383,800	4,221,500
27	19,25,359	19,55,000	20,48,000	128,357	130,300	136,500	180	400	300	128,537	130,700	136,800
28	1,29,72 308	1,44,60,000	1,55,42,000	864,820	964,000	1,036,100	946	800	800	865,766	964,800	1,036,900
29	77 79 251	86,69,000	1,17,08,000	518,617	577,900	780,500	1,681	1,700	1,500	520,298	579,600	782,000
30	1,89,05,419	3,32,33,000	3,92,22,000	1,260,361	2,215,500	2,614,800	22,082	36,100	17,900	1,282,443	2,251,600	2,632,700
31	91,15,018	1,03,99,000	1,25,40,000	607,668	693,300	836,000	3,947	3,900	6,800	611,615	697,200	842,800
32	59,81,331	68,71,000	86,28,000	398,756	458,100	575,200	40,424	43,400	57,300	439,180	501,500	632,500
33	27,89,69,319	30,50,45,000	33,76,22,000	18,597,955	20,336,300	22,508,100	483,275	600,500	656,200	19,081,230	20,936,800	23,164,300
34	29,61,273	29,09,000	29,52,000	197,418	193,900	196,800	10,550	10,600	10,600	207,968	204,500	207,400
35	22,642	26,000	20,000	1,509	1,800	1,300	251,007	194,000	194,000	252,516	195,800	195,300
36	2,20,12,118	2,28,53,000	2,37,09,000	1,467,475	1,523,500	1,580,600	2,008,225	1,989,000	1,991,000	3,475,700	3,512,500	3,571,600
37	1,03,58,769	1,29,50,000	1,26,51,000	690,584	863,300	843,400	116,454	118,500	108,500	807,038	981,800	951,900
38	69,69,821	83,87,000	1,07,59,000	464,655	559,200	717,300	206,395	441,000	28,000	671,050	1,000,200	745,300
39	4 23,24,623	4,71,25,000	5,00,91,000	2,821,641	3,141,700	3,339,400	2,592,631	2,753,100	2,332,100	5,414,272	5,894,800	5,671,500
40	28,14,254	98,000	6,06,000	187,617	6,500	40,400	...	...	...	187,617	6,500	40,400
41	—7,146	1,000	—8,000	*—476*	100	—500	...	...	...	*—476*	100	—500
42	49,87,016	52,85,000	59,41,000	332,468	352,300	396,100	1,133	1,400	10,600	333,601	353,700	406,700
43	71,88,879	95,95,000	83,02,000	479,258	639,700	553,400	...	...	...	479,258	639,700	553,400
44	1,49,83,003	1,49,79,000	1,48,41,000	998,867	998,600	989,400	1,133	1,400	10,600	1,000,000	1,000,000	1,000,000
45	50,96,98,925	58,96,02,000	64,65,56,000	33,979,928	39,306,800	43,103,700	5,627,904	10,051,400	9,072,600	39,607,832	49,358,200	52,176,300

No. 2.—Account showing the Estimated Expenditure (Imperial and Provincial compared with the

HEADS OF EXPENDITURE.	INDIA, GENERAL.			N.-W. FRONTIER PROVINCE.			MADRAS.		
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	7,73,84,809	13,70,49,000	15,46,35,000	95,79,670	1,08,05,000	1,17,87,000	6,88,87,169	7,14,88,000	1
Railway Revenue Account.									
State Railways:									
Interest on Debt	6,18,29,856	6,31,59,000	6,49,03,000	...	...	...	...	...	2
Annuities in purchase of Railways	...	...	...	...	...	...	...	...	3
Sinking Funds	...	...	...	...	...	...	...	...	4
Interest chargeable against Companies on advances	2,58,325	2,57,000	2,62,000	...	...	...	...	...	5
Interest on Capital deposited by Companies	8,35,626	8,83,000	9,32,000	...	...	...	...	...	6
Subsidized Companies: Land, etc.	24,23,158	10,90,000	4,50,000	...	...	...	...	...	7
Miscellaneous Railway Expenditure	43,657	2,95,000	3,99,000	...	...	...	...	...	8
Total	6,53,90,622	6,56,84,000	6,69,86,000	...	...	...	...	...	9
Irrigation:									
Major Works:									
Working Expenses	...	...	2,02,000	6,49,518	6,25,000	6,54,000	19,69,410	21,90,000	10
Interest on Debt	*—18,08,785*	*—18,12,000*	*—18,15,000*	8,39,172	8,66,000	8,86,000	28,95,522	29,26,000	11
Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	...	...	...	...	...	...	...	...	12
Minor Works and Navigation	2,95,959	1,59,000	2,19,000	39,457	49,000	50,000	35,74,379	42,41,000	13
Total	*—15,12,826*	*—16,43,000*	*—13,94,000*	15,28,147	15,40,000	15,90,000	84,39,311	93,57,000	14
Other Public Works:									
Construction of Railways charged to Provincial Revenues	...	...	...	...	...	...	...	...	15
Civil Works	34,88,740	37,52,000	42,83,000	24,26,106	24,99,000	25,90,000	83,60,023	82,80,000	16
Total	34,88,740	37,52,000	42,83,000	24,26,106	24,99,000	25,90,000	83,60,023	82,80,000	17
Military Services:									
Army:									
Effective	27,04,52,729	30,65,65,000	33,41,83,000	...	...	...	...	...	18
Non-effective	1,28,45,207	1,45,48,000	1,60,71,000	...	...	...	...	...	19
Marine	40,85,438	49,29,000	52,53,000	...	...	...	...	...	20
Military Works	2,28,32,443	2,70,95,000	2,65,12,000	...	...	...	...	...	21
Special Defences (1902)	2,10,806	1,55,000	...	...	...	...	...	...	22
Total	31,04,26,623	35,32,92,000	38,20,19,000	...	...	...	...	...	23
Total Expenditure	45,51,77,968	55,81,34,000	60,65,29,000	1,35,33,923	1,48,44,000	1,59,67,000	8,51,86,503	8,91,25,000	24
Add—Portion of Allotments to Provincial Governments not spent by them in the year	...	...	...	...	...	...	42,35,704	41,19,000	25
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	...	...	...	...	...	...	...	...	26
Total Expenditure charged to Revenue	45,51,77,968	55,81,34,000	60,65,29,000	1,35,33,923	1,48,44,000	1,59,67,000	8,94,22,207	9,32,44,000	27
Railway, Irrigation and other Capital not charged to Revenue:									
Capital Outlay on Railways and Irrigation Works:									
State Railways	2,33,05,410	3,62,45,000	4,41,22,000	...	...	...	...	...	28
Irrigation Works	...	...	88,000	9,29,168	7,23,000	3,54,000	6,07,438	6,20,000	29
Initial Expenditure on New Capital at Delhi	33,36,650	36,58,000	37,95,000	...	...	...	...	...	30
Total	2,66,42,060	3,99,03,000	4,80,05,000	9,29,168	7,23,000	3,54,000	6,07,438	6,20,000	31

in each of the Provinces of *British India*, and in *England*, for 1918-1919.
Results of 1916-1917 and 1917-1918—*continued*.

		Bombay.			Bengal.			Carried forward.		
	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	7,68,86,000	7,65,80,144	8,05,11,000	8,99,98,000	5,99,62,648	6,29,72,000	6,99,66,000	29,18,94,440	36,28,25,000	40,32,72,000
2	...	...	...	...	...	...	...	6,18,29,856	6,31,59,000	6,49,03,000
3	...	...	...	...	...	...	...	...	...	...
4	...	...	...	...	...	...	...	...	...	...
5	...	...	...	...	...	...	...	2,58,325	2,57,000	2,62,000
6	...	...	...	...	...	...	...	8,35,626	8,83,000	9,32,000
7	...	...	...	...	6	...	...	24,23,164	10,90,000	4,90,000
8	...	...	...	...	...	...	...	43,657	2,55,000	3,99,000
9	...	...	...	...	6	...	...	6,53,90,628	6,56,84,000	6,69,86,000
10	23 00,000	15,58,474	18,00,000	18,74,000	1,85,804	1,86,000	2,70,000	43,63,206	48,01,000	53,00,000
11	29,58,000	25,13,564	26,04,000	27,04,000	3,57,987	3,58,000	3,58,000	47,97,460	49,42,000	50,91,000
12	...	...	...	...	...	...	...	...	...	...
13	42,31,000	24,97,981	27,81,000	32,69,000	20,04,123	22,92,000	27,02,000	84,11,899	95,32,000	1,01,71,000
14	94,89,000	65,70,019	71,85,000	78,47,000	25,47,914	28,36,000	33,30,000	1,75,72,565	1,92,75,000	2,08,62,000
15	...	...	...	...	...	...	...	...	...	...
16	89,69,000	84,62,021	1,09,73,000	1,42,44,000	73,98,461	91,42,000	1,07,87,000	3,01,35,351	3,46,46,000	4,08,73,000
17	89,69,000	84,62,021	1,09,73,000	1,42,44,000	73,98,461	91,42,000	1,07,87,000	3,01,35,351	3,46,46,000	4,08,73,000
18	...	...	...	...	...	...	...	27,04,52,729	30,65,65,000	33,41,83,000
19	...	...	...	...	...	...	...	1,28,45,207	1,45,48,000	1,60,71,000
20	...	...	...	...	...	...	...	40,85,433	49,29,000	52,53,000
21	...	...	...	...	...	...	...	2,28,32,443	2,70,95,000	2,05,12,000
22	...	...	...	...	...	...	...	2,10,606	1,55,000	...
23	...	...	...	...	...	...	...	31,04,26,623	35,32,92,000	38,20,19,000
24	9,53,41,000	9,69,24,184	9,86,69,000	11,20,89,000	6,99,09,029	7,49,50,000	8,40,83,000	71,54,19,607	83,57,22,000	91,40,12,000
25	3,34,000	94,27,702	98,40,000	40,06,000	60,44,904	37,88,000	...	1,97,08,310	1,77,47,000	43,40,000
26	...	...	...	...	...	...	*40,20,000*	...	...	*40,20,000*
27	9,56,78,000	10,10,39,886	10,85,09,000	11,60,95,000	7,59,53,933	7,87,38,000	8,00,63,000	73,51,27,917	85,34,69,000	91,43,32,000
28	...	...	...	...	...	...	...	2,33,05,410	3,62,45,000	4,41,22,000
29	6,50,000	2,37,489	1,14,000	1,89,000	...	...	...	17,74,095	14,57,000	12,81,000
30	...	...	...	...	...	...	...	33,36,650	36,58,000	37,95,000
31	6,50,000	2,37,489	1,14,000	1,89,000	...	...	...	2,84,16,155	4,13,60,000	4,91,98,000

No. 2.—Amount showing the Estimated Expenditure (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	BROUGHT FORWARD.			UNITED PROVINCES OF AGRA AND OUDH.			PUNJAB.			
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	
	Rs.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward .	29,18,94,440	36,28,25,000	40,32,72,000	7,12,96,163	7,53,48,000	8,10,59,000	3,46,11,562	3,55,16,000	4,06,18,000	1
Railway Revenue Account.										
State Railways :										
Interest on Debt . . .	6,18,29,856	6,31,59,000	6,49,03,000	...	...	...	...	...	...	2
Annuities in purchase of Railways . . .	...	...	...	...	...	...	...	...	...	3
Sinking Funds. . . .	...	...	...	...	...	...	...	...	...	4
Interest chargeable against Companies on Advances .	2,58,325	2,57,000	2,62,000	...	...	...	...	...	...	5
Interest on Capital deposited by Companies . . .	8,35,626	8,83,000	9,32,000	...	...	...	...	...	...	6
Subsidized Companies :										
Land, etc.	24,23,164	10,90,000	4,90,000	8,469	5,000	5,000	16	...	...	7
Miscellaneous Railway Expenditure	43,657	2,95,000	3,99,000	...	...	...	...	...	...	8
Total .	6,53,90,628	6,56,84,000	6,69,86,000	8,469	5,000	5,000	16	...	...	9
Irrigation :										
Major Works :										
Working Expenses . .	43,63,206	48,01,000	53,00,000	34,24,932	35,75,000	36,49,000	1,03,46,287	1,03,60,000	1,06,55,000	10
Interest on Debt . .	47,97,460	49,42,000	50,91,000	38,56,039	39,03,000	39,32,000	70,03,847	71,18,000	72,14,000	11
Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance .	...	...	...	...	...	...	...	...	...	12
Minor Works and Navigation	84,11,899	95,32,000	1,04,71,000	3,86,547	4,38,000	7,33,000	10,71,343	11,43,000	11,26,000	13
Total .	1,75,72,565	1,92,75,000	2,08,62,000	76,67,518	79,16,000	83,14,000	1,84,21,477	1,85,21,000	1,89,95,000	14
Other Public Works :										
Construction of Railways charged to Provincial Revenues. . . .	...	...	...	...	...	...	...	...	...	15
Civil Works . . .	3,01,35,351	3,46,46,000	4,08,73,000	72,46,575	70,43,000	75,33,000	52,32,704	60,52,000	85,68,000	16
Total .	3,01,35,351	3,46,46,000	4,08,73,000	72,46,575	70,43,000	75,33,000	52,32,704	60,52,000	85,68,000	17
Military Services :										
Army :										
Effective	27,04,52,729	30,65,65,000	33,41,83,000	...	...	...	...	...	...	18
Non-effective . . .	1,28,45,207	1,45,48,000	1,60,71,000	...	...	...	...	...	...	19
Marine.	40,85,438	49,29,000	52,53,000	...	...	...	...	...	...	20
Military Works . . .	2,28,32,443	2,70,95,000	2,65,12,000	...	...	...	...	...	...	21
Special Defences (1902) . .	2,10,806	1,55,000	...	...	...	...	...	...	...	22
Total .	31,04,26,623	35,32,92,000	38,20,19,000	...	...	...	...	...	...	23
Total Expenditure .	71,54,19,607	83,57,22,000	91,40,12,000	8,62,18,725	9,03,12,000	9,69,11,000	5,82,65,759	6,01,89,000	6,81,81,000	24
Add—Portion of Allotments to Provincial Governments not spent by them in the year .	1,97,08,310	1,77,47,000	43,40,000	37,08,838	52,50,000	8,57,000	59,19,907	67,03,000	1,40,000	25
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances. . .	...	...	*40,20,000*	...	...	...	...	...	...	26
Total Expenditure charged to Revenue . . .	73,51,27,917	85,34,69,000	91,43,32,000	8,99,27,563	9,55,62,000	9,77,68,000	6,41,85,666	6,68,92,000	6,83,21,000	27
Railway, Irrigation and other Capital not charged to Revenue :										
Capital Outlay on Railways, Irrigation and other Works :										
State Railways . .	2,33,05,410	3,62,45,000	4,41,22,000	...	...	...	...	...	...	28
Irrigation Works .	17,74,095	14,57,000	12,81,000	6,56,826	5,97,000	63,000	33,86,415	29,52,000	23,74,000	29
Initial Expenditure on New Capital at Delhi . . .	33,36,650	36,58,000	37,95,000	...	...	...	...	...	...	30
Total .	2,84,16,155	4,13,60,000	4,91,98,000	6,56,826	5,97,000	63,000	33,86,415	29,52,000	23,74,000	31

in each of the Provinces of *British India*, and in *England*, for 1918-1919.
Results of 1916-1917 and 1917-1918—*continued*.

	Burma.			Bihar and Orissa.			Carried over.		
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	4,97,35,387	5,02,79,000	5,21,80,000	2,48,86,447	2,63,47,000	2,80,43,000	47,24,23,999	55,03,15,000	60,51,72,000
2	...	...	...	...	...	...	6,18,29,856	6,31,59,000	6,49,03,000
3	...	...	...	...	...	...	...	...	...
4	...	...	...	...	...	...	...	...	...
5	...	...	...	...	...	...	2,58,325	2,57,000	2,62,000
6	...	...	...	...	...	...	8,35,626	8,83,000	9,32,000
7	...	...	...	...	...	...	24,31,649	10,95,000	4,95,000
8	...	...	...	...	...	...	43,657	2,95,000	3,99,000
9	...	...	...	...	...	...	6,53,99,113	6,56,89,000	6,69,91,000
10	5,64,569	6,10,000	6,26,000	14,51,696	15,64,000	15,25,000	2,01,50,690	2,09,10,000	2,17,55,000
11	8,81,550	9,01,000	9,24,000	19,87,762	19,92,000	19,98,000	1,65,26,658	1,88,56,000	1,91,59,000
12	...	...	...	...	...	...	...	...	...
13	12,24,578	14,50,000	17,15,000	2,47,981	2,18,000	3,09,000	1,13,42,348	1,27,81,000	1,43,54,000
14	26,70,697	29,61,000	32,65,000	36,87,439	37,74,000	38,32,000	5,00,19,696	5,25,47,000	5,52,68,000
15	...	...	...	...	...	...	...	...	...
16	86,96,073	96,58,000	1,11,61,000	71,43,456	79,93,000	96,67,000	5,84,54,159	6,53,92,000	7,78,02,000
17	86,96,073	96,58,000	1,11,61,000	71,43,456	79,93,000	96,67,000	5,84,54,159	6,53,92,000	7,78,02,000
18	...	...	...	...	...	...	27,04,52,729	30,65,65,000	33,41,83,000
19	...	...	...	...	...	...	1,28,45,207	1,45,48,000	1,60,71,000
20	...	...	...	...	...	...	40 85,438	49,29,000	52,53,000
21	...	...	...	...	...	...	2,25,32,443	2,70,95,000	2,65,12,000
22	...	...	...	...	...	...	2,10,806	1,55,000	...
23	...	...	...	...	...	...	31,04,26,623	35,32,92,000	38,20,19,000
24	6,11,02,157	6,28,98,000	6,66,06,000	3,57,17,342	3,81,14,000	4,15,42,000	95,67,23,590	1,08,72,35,000	1,18,72,52,000
25	34,27,808	...	3043,000	5,00,995	...	...	3,32,65,858	2,97,00,000	83,80,000
26	...	*25,80,000*	...	...	*8,88,000*	*19,19,000*	...	*34 68,000*	*59,39,000*
27	6,45,29,965	6,03,18,000	6,96,49,000	3,62,18,337	3,72,26,000	3,96,23,000	98,99,89,448	1,11,34,67,000	1,18,96,93,000
28	...	...	...	...	...	...	2,33,05,410	3,62,45,000	4,41,22,000
29	4,37,204	—10,76,000	6,57,000	—1,500	...	...	62,53,040	39,30,000	43,75,000
30	...	...	...	...	...	...	33,36,650	36,58,000	37,95,000
31	4,37,204	—10,76,000	6,57,000	—1,500	...	...	3,28,95,100	4,38,33,000	5,22,92,000

No. 3.—Account showing the Estimated Expenditure (Imperial and Provincial) compared with the

HEADS OF EXPENDITURE.	BROUGHT FORWARD.			CENTRAL PROVINCES AND BERAR.			ASSAM.			
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	47,24,23,999	55,03,15,000	60,51,72,000	2,58,74,328	2,75,96,000	2,89,02,000	1,14,00,598	1,16,91,000	1,24,82,000	1
Railway Revenue Account:										
State Railways: Interest on Debt	6,18,29,856	6,31,59,000	6,49,03,000	...	...	...	...	...	...	2
Annuities in purchase of Railways	...	...	...	...	...	...	...	...	...	3
Sinking Funds	...	...	...	...	...	...	...	...	...	4
Interest chargeable against Companies on advances	2,58,325	2,57,000	2,62,000	...	...	...	...	...	...	5
Interest on Capital deposited by Companies	8,35,626	8,83,000	9,32,000	...	...	...	...	...	...	6
Subsidized Companies: Land, etc.	24,31,649	10,95,000	4,95,000	...	...	...	5,112	5,000	5,000	7
Miscellaneous Railway Expenditure	43,657	2,95,000	3,99,000	...	...	...	14	1,000	1,000	8
Total	6,53,99,113	6,56,89,000	6,69,91,000	...	...	...	5,126	6,000	6,000	9
Irrigation:										
Major Works: Working Expenses	2,01,50,690	2,09,10,000	2,17,55,000	1,17,227	2,15,000	2,80,000	...	...	...	10
Interest on Debt	1,85,26,658	1,88,56,000	1,91,59,000	8,62,680	9,52,000	10,65,000	...	...	...	11
Expenditure on Protective Irrigation works in addition to that charged under Famine Relief and Insurance	...	...	...	...	...	...	...	...	...	12
Minor Works and Navigation	1,13,42,348	1,27,81,000	1,43,54,000	3,81,718	4,29,000	4,55,000	52,073	38,000	42,000	13
Total	5,00,19,696	5,25,47,000	5,52,68,000	13,61,575	15,96,000	18,00,000	52,073	38,000	42,000	14
Other Public Works:										
Construction of Railways charged to Provincial Revenues	...	...	...	...	...	...	33 0^0	10,000	10,000	15
Civil Works	5,84,54,159	6,53,92,000	7,78,02,000	67,04,937	76,25,000	89,14,000	32,84,675	31,27,000	35,51,000	16
Total	5,84,54,159	6,53,92,000	7,78,02,000	67,04,937	76,25,000	89,14,000	33,17,735	31,37,000	35,61,000	17
Military Services:										
Army: Effective	27,04,52,729	30,65,65,000	33,41,83,000	...	...	...	...	...	...	18
Non-effective	1,28,45,207	1,45,48,000	1,60,71,000	...	...	...	...	...	...	19
Marine	40,85,438	49,29,000	52,53,000	...	...	...	...	...	...	20
Military Works	2,23,32,443	2,70,95,000	2,65,12,000	...	...	...	...	...	...	21
Special Defences (1902)	2,10,806	1,55,000	...	...	...	...	...	...	...	22
Total	31,04,26,623	35,32,92,000	38,20,19,000	...	...	...	...	...	...	23
Total Expenditure	95,67,23,590	1,08,72,35,000	1,18,72,52,000	3,39,40,840	3,68,17,000	3,96,16,000	1,47,75,532	1,48,72,000	1,60,91,000	24
Add—Portion of Allotments to Provincial Governments not spent by them in the year	3,32,65,858	2,97,00,000	83,80,000	25,71,241	9,89,000	...	1,22,434	3,44,000	2,09,000	25
Deduct—Portion of Provincial Expenditure defrayed from Provincial balances	...	*34,68,000*	*59,39,000*	...	...	*6,80,000*	...	...	...	26
Total Expenditure charged to Revenue	98,99,89,448	1,11,34,67,000	1,18,96,93,000	3,65,12,081	3,78,06,000	3,89,36,000	1,48,97,966	1,52,16,000	1,63,00,000	27
Railway, Irrigation and other Capital not charged to Revenue:										
Capital Outlay on Railways, Irrigation and other Works: State Railways	2,33,05,410	3,62,45,000	4,41,22,000	...	...	...	...	...	...	28
Irrigation Works	62,53,040	89,30,000	43,75,000	13,23,694	16,36,000	24,00,000	...	...	...	29
Initial Expenditure on New Capital at Delhi	33,36,650	36,58,000	37,95,000	...	...	...	...	...	...	30
India's Financial Contribution to the War	...	...	...	...	...	...	...	...	...	31
Total	3,28,95,100	4,38,33,000	5,22,92,000	13,23,694	16,36,000	24,00,000	...	...	...	32

DELHI,

March 22, 1918.

in each of the Provinces of British India, and in England, for 1918-1919,
Results of 1916-1917 and 1917-1918– *concluded.*

	TOTAL INDIA.						ENGLAND.			GRAND TOTAL.		
	Rupees.			Rupees converted into £ at ₹15=£1								
	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.	1916-1917.	1917-1918.	1918-1919.
	Rs.	Rs.	Rs.	£	£	£	£	£	£	£	£	£
1	50,96,98,925	58,96,02,000	64,65,56,000	33,979,928	39,306,800	43,103,700	5,627,904	10,051,400	9,072,600	39,607,832	49,358,200	52,176,300
2	6,18,29,856	6,31,59,000	6,49,03,000	4,121,990	4,210,600	4,326,900	3,538,860	3,518,800	3 507,400	7,660,850	7,729,400	7,834,300
3	...	...	...	...	...	...	3,357,650	3,357,700	3,357,600	3,357,650	3,357,700	3,357,600
4	...	...	...	...	...	...	323,647	333,600	242,800	323,647	333,600	242,800
5	2,58,325	2,57,000	2,62,000	17,222	17,200	17,400	81,250	81,200	81,200	98,472	98,409	98,600
6	8,35,626	8,83,000	9,32,000	55,708	58,900	62,100	2,170,232	2,205,800	2,126,600	2,225,940	2,264,700	2,188,700
7	24,36,761	11,00,000	5,00,000	162,451	73,300	33,300	...	...	...	162,451	73,300	33,300
8	43,671	2,96,000	4,00,000	2,912	19,700	26,700	...	...	...	2,912	19,700	26,700
9	6,54,04,239	6,56,95,000	6,69,97,000	4,360,283	4,379,700	4,466,400	9,471,639	9,497,100	9,315,600	13,831,922	13,876,800	13,782,000
10	2,02,67,917	2,11,25,000	2 20,35,000	1,351,194	1,408,300	1,469,000	...	...	...	1,351,194	1,408,300	1,469,000
11	1,93,89,285	1,98,08,000	2,02,24,000	1,292,620	1,320,500	1,348,300	120,585	120,800	121,000	1,413,205	1,441,300	1,469,300
12	...	...	...	...	...	...	...	...	...	...	...	...
13	1,17,76,139	1,32,48,000	1,48,51,000	785,076	883,200	990,000	437	...	400	785,513	883,200	990,400
14	5,14,33,344	5,41,81,000	5,71,10,000	3,428,890	3,612,000	3,807,300	121,022	120,800	121,400	3,549,912	3,732,800	3,928,700
15	33,060	10,000	10,000	2,204	700	700	...	...	...	2,204	700	700
16	6,84,43,771	7,61,44,000	9,02,67,000	4,562,918	5,076,200	6,017,800	53,413	45,600	39,200	4,616,331	5,121,800	6,057,000
17	6,84,76,831	7,61,54,000	9,02,77,000	4,565,122	5,076,900	6,018,500	53,413	45,600	39,200	4,618,535	5,122,500	6,057,700
18	27,04,52,729	30,65,65,000	33,41,83,000	18,030,182	20,437,700	22,278,900	3,191,512	4,102,400	2,379,500	21,221,694	24,540,100	24,658,400
19	1,28,45,207	1,45,48,000	1,60,71,000	856,347	969,900	1,071,400	2,181,962	2,155,400	2,061,100	3,038,309	3,125,300	3,132,500
20	40.85,438	49,29,000	52,53,000	272,362	328,600	350,200	421,318	408,000	610,100	693,680	736,600	960,300
21	2,28,32,443	2,70,95.000	2,65,12,000	1,522,163	1,806,300	1,767,500	72,375	66,000	14,000	1,594,538	1,872,300	1,781,500
22	2,10,806	1,55,000	...	14,054	10,300	...	4,482	100	...	18,536	10,400	...
23	31,04,26,623	35,32,92,000	38,20,19,000	20,695,108	23,552,800	25,468,000	5,871,649	6,731,900	5,064,700	26,566,757	30,284,700	30,532,700
24	1,00,54,39,962	1,13,89,24,000	1,24,29,59,000	67,029,331	75,928,200	82,863,900	21,145,627	26,446,800	23,613,500	88,174,958	102,375,000	106,477,400
25	3,59,59,533	3,10,33,000	85,89,000	2,397,302	2,068,900	572,600	...	...	...	2,397,302	2,068,900	572,600
26	...	*34,63,000*	*66,19,000*	...	*231,200*	*441,200*	...	...	...	...	*231,200*	*441,200*
27	1,04,13,99,495	1,16,64,89,000	1,24,49,29,000	69,426,633	77,765,900	82,995,300	21,145,627	26,446,800	23,613,500	90,572,260	104,213,700	106,608,800
28	2,03,05,410	3,62,45,000	4,41,22,000	1,553,694	2,416,300	2,941,400	318,654	607,100	763,000	1,872,348	3,023,400	3,704,400
29	75,76,734	55,66,000	67,75,000	505,115	371,100	451,700	6,968	1,300	15,000	512,083	372,400	466,700
30	33,36,650	36,58,000	37,95,000	222,443	243,900	253,000	21,854	6,800	13,700	244,297	250,700	266,700
31	...	...	...	...	...	...	...	100,000,000	...	...	100,000,000	...
32	3,42,18,794	4,54,69,000	5,46,92,000	2,281,252	3,031,300	3,646,100	347,476	100, 15,200	791,700	2,628,728	103,646,500	4,437,800

Appendix III.

COMMERCIAL AND FINANCIAL STATISTICS.

Appen

COMMERCIAL AND
TABLE I.—MIS

	1909-1910.	1910-1911.	1911-1912.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works and the Delhi Capital not charged against Revenue—			
Surplus	£ 606,641	£ 3,936,287	£ 3,940,334
Deficit	...	...	...
Capital Expenditure on Railways and Irrigation Works not charged against Revenue*	£ 7,373,966	£ 10,119,093	£ 8,517,915
Ditto charge involved in Redemption of Liabilities	...	£ 5,904,100	...
Initial Expenditure on new Capital at Delhi	...	...	£ 4,992
India's Financial Contribution to the War	...	...	...
Net Public Debt incurred	£ 10,408,347	£ 8,896,956	£ 1,823,173
Net Public Debt incurred, including Capital transactions with Railway Companies	£ 10,747,575	£ 12,654,438	£ 854,140
Value of commodities exported, excluding Gold and Silver ₹	1,87,96,80,000	2,09,96,20,000	2,27,99,00,000
Ditto imported, ditto ditto ₹	1,22,65,10,000	1,33,70,60,000	1,44,05,50,000
Excess of Exports over Imports, excluding Gold and Silver ₹	65,31,70,000	76,25,60,000	83,93,50,000
Net Imports of Gold ₹	21,67,90,000	23,97,90,000	37,76,00,000
Ditto of Silver ₹	9,44,50,000	8,63,00,000	5,33,70,000
TOTAL NET IMPORTS OF GOLD AND SILVER ₹	31,12,40,000	32,60,90,000	43,09,70,000
Excess of Exports over Imports including Gold and Silver ₹	34,19,30,000	43,64,70,000	40,83,80,000
Grand Total value of Imports and Exports of all kinds ₹	3,54,54,20,000	3,90,53,00,000	4,35,89,00,000
Secretary of State's Bills sold (Rupees) ₹	§40,54,12,663(*a*)	§40,02,50,114(*a*)	40,37,70,748(*a*)
Sterling Equivalent received £	§27,096,586(*a*)	§26,783,303(*a*)	27,058,549(*a*)
Silver coined at the Indian Mints ₹	2,17,56,166	2,19,25,112	2,80,74,320
Maximum price in pence of an oz. troy, standard Silver in London	24 13/16 (May)	26 1/4 (October)	27 1/8 (February)
Minimum ditto ditto	23 1/16 (October)	23 11/16 (February)	23 15/16 (July)
Average Exchange upon Secretary of State's Bills sold per rupee	1*s.* 4·041*d.*	1*s.* 4·061 *d.*	1*s.* 4·084*d.*
Fixed rate of Exchange for the adjustment of transactions between the Indian and Imperial Treasuries	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	7 (from 1 to 28 Apl. & 3 to 31 March).	8 (from 23rd Feb. 1911 to 29th Mar. 1911)	8 (from 26th Jan. to 6th Mar.).
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	3 (from 1 July to 29 Sept.).	3 (from 1st July to 21st Sept.).	3 (from 3rd Aug. to 31st Aug.).
Maximum rate of discount at the Bank of England	5 (October 21st to Decr. 8th).	5 (Oct. 20th to Nov. 30th).	4 (from 21st Sept. 1911 to 7th Feb. 1912).
Minimum ditto ditto	2½ (Apl. 1st to October 6th).	3 (June 9th to Sept. 28th and Mar. 9th to Mar. 31st).	3 (from 1st Apl. to 20th Sept. 1911).
Maximum Government balances at the three Presidency Banks ₹	4,58,77,000 (July)	4,10,08,000 (Sept.)	4,48,68,000 (Nov.)
Minimum ditto ditto ₹	3,07,61,000 (Apl.)	3,53,92,000 (June)	3,68,74,000 (Feb.)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed)	95—5 (24 Aug.)	96—10 (2nd Aug.)	96—14 (9th Dec.)
Minimum ditto ditto	92—12 (4 to 7 Dec.).	93—6 (7th Nov.)	94—12 (3rd & 4th Oct.).
Maximum price in Calcutta of 3 per cent Rupee Securities	82—0 (31 Aug. to 11 Nov.).	82—0 (12th July to 19th Aug. and 15th Feb. to 31st Mar.).	82—0 (1st to 23rd Apl., 5th May to 24th Sept., 27th Sept. to 9th Oct. and 20th Nov. to 31st Mar.).
Minimum ditto ditto	79—12 (27 Nov.)	80—4 (5th Dec.)	81—0 (25th & 26th Sept.)
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts ₹	16,06,73,000 (Oct.)	15,07,31,000 (Apl.)	12,68,10,000 (Apl.)
Minimum ditto ditto ₹	14,81,15,000 (Apl.)	12,78,50,000(Mar.)	11,73,04,000 (Mar.)
Maximum price in London of 3½ per cent (Rupee Securities in Gold)	63 5/16 (Oct.)	64 9/16 (Feb.)	64 5/8 (Dec.)
Minimum ditto ditto	61 7/8 (Apl.)	62 1/16 (Oct.)	63 1/8 (Oct.)
Maximum price in London of India 3½ per cent Stock	100 3/8 (May)	97 3/8 (Feb.)	96 4/4 (Apl.)
Minimum ditto ditto	95 (March)	92 3/8 (Sept.)	91 (Sept.)
Maximum price in London of India 3 per cent Stock	90 1/8 (Apl.)	84 3/8 (Feb.)	84 5/16 (Apl.)
Minimum ditto ditto	81 1/8 (March)	79 1/8 (Sept.)	78 1/8 (Sept.)
Maximum price in London of India 2½ per cent Stock	76 (Apl.)	70 3/8 (Feb.)	70 5/8 (Apl.)
Minimum ditto ditto	69 (March)	66 (Sept.)	65 1/8 (Sept.)
Maximum Government Paper Currency outstanding ₹	54,40,84,000(Mar.)	59,16,45,000(July)	61,36,25,000(Mar.)
Minimum ditto ditto ₹	43,64,99,000 (Apl.)	49,67,01,000 (Dec.)	54,68,58,000 (Apl.)
Number of Post Office Savings Banks	8,767	8,929	9,502
Number of accounts in Post Office Savings Banks	1,378,916	1,430,451	1,500,834
Amount deposited in Savings Banks ₹	15,86,71,786	16,91,88,224	18,89,85,439
Average of each deposit	115·07	118·28	125·92
Net addition to deposits	63,30,272	1,05,16,438	1,97,97,215

*Excludes capital charge involved in redemption of liabilities.

§ Include remittances of the Gold Standard Reserve.

dix III.

FINANCIAL STATISTICS CELLANEOUS.

1912-1913.	1913-1914.	1914-1915.	1915-1916.	1916-1917.	1917-1918, Revised.	1918-1919, Budget.
£ 3,107,634	£ 2,312,423	...	...	£ 7,478,170	£ 5,711,600	£ 2,581,500
...	...	£ 1,785,270	£ 1,188,661	...	...	...
£ 10,221,224	£ 11,765,462	£ 11,633,038	£ 5,589,065	£ 2,384,431	£ 3,395,800	£ 4,171,100
...	...	...	...	...	...	...
£ 114,894	£ 447,134	£ 360,361	£ 331,274	£ 244,297	£ 250,700	£ 266,700
...	...	...	...	...	£ 100,000,000	...
£ 2,937,639	£ 118,200	£ 2,727,294	£ 2,379,834	£ 7,711,508	£ 115,168,300	£ —877,300
£ 2,373,391	£ 2,868,044	£ 5,721,108	£ 5,805,528	£ 7,496,346	£ 113,374,300	£ —4,01,300
2,46,21,80,000	2,49,00,70,000	1,82,17,60,000	1,99,48,00,000	2,43,04,70,000	2,10,94,20,000(*b*)	
1,66,63,00,000	1,91,30,80,000	1,44,93,10,000	1,38,16,90,000	1,60,23,60,000	1,52,55,20,000(*b*)	
79,58,80,000	57,69,90,000	37,24,50,000	61,31,10,000	82,81,10,000	58,39,00,000(*b*)	
34,00,10,000	23,32,40,000	7,64,70,000	†—*1,10,90,000*	13,23,50,000	...	
17,19,90,000	13,03,30,000	8,87,20,000	4,83,00,000	13,80,00,000	...	
51,20,00,000	36,35,70,000	16,51,90,000	3,72,10,000	32,03,50,000		
28,38,80,000	21,34,20,000	20,72,60,000	57,59,00,000	50,77,60,000	...	
4,85,31,20,000	4,90,83,80,000	3,54,20,40,000	3,57,82,20,000	4,48,15,30,000	...	
38,49,88,178	§ 46,59,68,715	§ 11,61,88,392	§50,36,57,471(*a*)	§49,04,34,364 (*a*)	§51,28,71,000(*a*)	
25,759,706	§31,200,827	§7,748,112	§20,354,517(*a*)	§32,998,095 (*a*)	§35,336,600(*a*)	
19,53,69,944	13,15,68,537	2,17,95,335	1,62,02,199	30,77,07,327	23,15,69,651	(Provisional.)
29¼ (3rd December).	28$\frac{1}{16}$ (22nd September).	27¼ (30th Apl.).	28$\frac{1}{16}$ (31st March 1916.)	38$\frac{7}{16}$ (13th Feby. 1917).	55 (21st to 24th Septr. 1917).	
26$\frac{1}{16}$ (25th March)	25$\frac{15}{16}$ (1st December).	22⅛ (13th and 14th Novr.).	22⅛ (5th Aug. 1915.)	28⅝ (10th July 1916).	36$\frac{9}{16}$ (13th to 17th April 1917).	
1*s.* 4·058*d.*	1*s.* 4·070*d.*	1*s.* 4·004*d.*	1*s.* 4·087*d.*	1*s.* 4·148*d.*	1*s.* 4·536*d.*	
1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1. 4*d.*	1*s.* 4*d.*	
8 (from 9th Jan. to 12th Feb.).	7 (1st to 16th Apl. and 13th Nov. 1913 to 18th Mar. 1914).	6(1st to 30th Apl. and 5th Nov. to 31st Dec. 1914 and 1st Jan. to 31st March 1915).	8 (20th Jan. 1916 to 31st March 1916.)	8 (1st to 13th April 1916 and 9th Nov. 1916 to 21st Feb. 1917.)	6 (1st April to 5th Septr. 1917 and 3rd Jany. to 28th Feby. 1918.)	
3 (from 11th July to 11th Sept.).	3 (3rd July to 6th Aug.).	3(9th July to 5th Aug.).	5 (2nd June to 22nd Sept.).	5 (22nd June to 13th Sept.)	5 (6th Septr. 1917 to 2nd Jany. 1918.)	
5 (17th October 1912 to 31st March 1913).	5 (1st to 16th April and from 2nd October 1913 to 7th January 1914).	10 (from 1st to 5th Aug. 1914).	5 (1st Apl. 1915 to 31st Mar. 1916.)	6 (13th July 1916 to 17th Jany. 1917.)	5½ (2nd to 4th April 1917.)	
3 (9th May to 28th August).	3 (29th January to 31st March 1914).	3 (from 1st Apl. to 29th July).		5 (1st April to 12th July 1916.)	5 (5th April 1917 to 28th Feby. 1918.)	
5,65,10,000 (Mar.)	6,18,88,000 (Oct.)	10,12,86,000(Aug.)	8,87,07,000 (Aug.)	10,11,86,000(Mar.)	22,65,24,000(June)	
4,00,35,000 (Apl.)	4,85,95,000 (May)	4,84,03,000(Nov.)	4,42,76,000 (Nov.)	4,84,33,000 (May)	7,37,68,000 (Nov.)	
97—2 (3rd to 6th May).	96—12 (19th and 21st July).	96-1 (from 14th to 15th and 17th to 25th July 1914).	93-2 (5th to 11th June 1915.) (*d*)	82 (7th and 11th to 14th April 1916.)	70 (6th to 14th Sep. and 31st Oct 1917 to 7th Feb. 1918.)	
94—12 (3rd & 6th Jan.).	94—14 (13th & 17th Oct.).	(*d*) 91-8 (13th to 31st March).	79½ (23rd Dec. 1915 to 6th Jan. 1916.)	69 (22nd Feb. to 2nd March and 20th to 31st March 1917.)	67 (20th June to 24th Aug. 1917.)	
83—0 (7th May to 14th Oct.).	83—0 (2nd to 4th Sept. 1913 and from 26th Feb. to 31st March 1914).	83 (1st April to 4th Aug. 1914).	80 (1st Apl. to 28th June 1915.)	70 (5th to 20th April 1916.)	60 (6th to 14th Sep. and 31st Oct. to 28th Feb. 1918.)	
82—0 (1st to 24th Apl. & 24th Oct. 1912 to 31st March 1913).	82—0 (1st Apl. to 26th Aug.).	77 (31st Aug. to 3rd Sept. 1914).	67½ (23rd Dec. 1915 to 6th Jan. 1916.)	59 (22nd Feb. to 2nd March and 20th to 31st March 1917.)	57 (20th June to 24th Augt. 1917.)	
11,65,48,000 (Apl.)	11,11,55,000 (Apl.)	9,95,58,000(Apl.)	9,66,98,000 (Apl.)	8,76,76,000 (Apl.)	8,30,42,000(Apl.)	
11,13,78,000 (Jan.)	10,08,74,000(Mar.)	9,73,00,000(Mar.)	8,31,17,000 (Dec.)	8,30,42,000 (Mar.)	7,61,33,000(Jany.)	
64¾ (May)	64⅝ (Feby.)	(*e*) 63¾ (May)	No quotation.	No quotation.	52 (Novr.)	
63$\frac{5}{16}$ (Mar.)	63⅓ (Apl.)	(*e*) 63 (July)			44⅜ (May)	
94$\frac{11}{16}$ (Apl.)	93⅓ (Jan.)	90⅓ (Apl.)	82⅝ (May).	80⅞ (Apl.)	69⅜ (Apl.)	
89 (Mar.)	84$\frac{5}{16}$ (Jan.)	80¾ (Mar.)	(*f*) 80¼ (Apl.)	(*g*)63⅓ (Dec.)	62¼ (Dec.)	
80¾(Apl.)	80$\frac{3}{4}$ (Jan.)	77¼ (Apl.)	70¼ (Apl.)	69⅜ (Apl.)	59¾ (Apl.)	
75 (Mar.)	71⅓ (Dec.)	69¼ (Mar.)	(*f*) 69¼ (Apl.)	(*g*)54¾ (Dec.)	53⅜ (Dec.)	
67⅓ (Apl.)	66$\frac{11}{16}$ (Feby.)	64 (Apl.)	59⅜ (Apl.)	57¼ (April.)	No quotation.	
62$\frac{9}{16}$ (Mar.)	59½ (Jan.)	(*e*) 58 (Jan.)	(*f*) 57 (May.)	(*g*)4 ¼ (Dec.)		
68,97,78,000(Mar.)	69,89,84,000(July)	75,44,53,000(July)	68,06,10,000(July)	86,37,52,000(Nov.)	1,14,77,000(Oct.)	
58,33,57,000 (Apl.)	61,79,95,000(Sept.)	59,54,67,000(Feb.)	60,24,42,000 (Apl.)	65,46,90,000 (Apl.)	82,72,000 (Apl.)	
9,460	9,824	10,161	10,386	10,421		
1,566,860	1,638,725	1,644,074	1,660,424	1,647,419		
20,61,14,503	23,16,75,467	14,89,26,323	15,32,12,517	16,59,53,401		
131·55	141·38	90·58	92·27	100·73		
1,71,29,064	2,55,60,964	—8,27,49,144	42,86,194	1,27,40,884		

(*a*) Include remittance of the Currency Department.
(*b*) Figures for 11 months (April to February).
(*c*) Official minimum price, 3rd January to 19th March 1915.
(*d*) Buyer's rate.
(*e*) No quotations since August 1914.
(*f*) Official minimum price fixed, 19th March 1915.
(*g*) Official minimum prices were removed in July 1916.

† Represents net exports of gold.

Appendix III—*continued.*

Commercial and Financial Statistics.

Table II.—Capital Expenditure on State Railways in 1916-1917, and Estimated Expenditure on such works in 1917-1918 and 1918-1919, and to end of 1918-1919.

Railways.	To end of 1915-1916.	Accounts, 1916-1917.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.	To end of 1918-1919.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
Open Lines.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Agra-Delhi Chord	1,47,56,190	40,505	74,000	1,64,000	1,50,34,695	...	...	
Aden Tramway	2,88,292	3,33,524	1,25,000	2,12,000	9,58,816	...	...	
Ahmedabad-Dholka (earthwork, etc.)	59,900	...	...	...	59,900	...	...	
Assam-Bengal (Construction)	10,83,31,538	28,00,672	24,62,000	40,96,000	11,76,90,210	...	...	
Ditto (Land)	55,89,061	17,875	15,000	15,000	56,36,936	...	...	
Baran-Kotah	46,47,772	94,924	1,78,000	1,00,000	50,20,696	...	...	
Bengal-Nagpur Railway	24,62,38,883	22,25,710	60,09,000	60,60,000	26,05,33,593	...		
Bezwada Extension	12,46,787	2,285	1,000	43,000	12,93,072	...	...	
Bhopal	40,84,392	10,161	4,000	64,000	41,62,553	...	...	
Bombay, Baroda and Central India	49,95,78,791	20,33,676	27,01,000	43,70,000	50,86,83,467	...	...	
Burma	9,74,12,324	...	...	...	9,74,12,324	...	...	
Burma Railway Extensions	2,20,71,038	*—31,461*	*—73,000*	1,00,000	2,20,66,577	...	...	
Cawnpur-Banda	78,91,973	29,204	70,000	2,75,000	82,66,177	...	...	
Coonoor-Ootacamund	43,02,666	*—39*	13,000	39,000	43,54,627	...	...	
Dharmapuri Hosur Extension	21,38,240	*—7,146*	1,000	*—8,000*	21,24,094	...	...	
Dhone-Kurnool	10,08,669	7,930	3,000	5,000	10,24,599	...	...	
East Indian	55,87,66,165	60,87,463	12,14,000	67,47,000	57,28,14,628	...	...	
Eastern Bengal	35,02,46,216	30,37,696	43,39,000	61,27,000	36,37,49,912	...	...	
Frontier Railway Reserve Material	43,57,294	*—36,27,544*	*—1,00,000*	...	6,29,750	...	...	
Carried over	1,93,30,16,191	1,30,55,435	1,70,36,000	2,84,09,000	1,99,15,16,626	...	...	

Appendix III, Table II—*continued.*

Railways.	To end of 1915-1916.	Accounts, 1916-1917.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.	To end of 1918-1919.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
Brought forward	Rs. 1,93,30,16,191	Rs. 1,30,55,435	Rs. 1,70,36,000	Rs. 2,84,09,000	Rs. 1,99,15,16,626	Rs. ...	Rs. ...	
Open Lines.								
Great Indian Peninsula System	43,16,14,905	55,04,203	87,18,000	64,22,000	45,22,59,108	...	...	
Jodhpur-Hyderabad (British Section)	44,45,252	21,188	1,24,000	32,000	46,22,440	...	...	
Jorhat	10,90,696	33,060	10,000	10,000	11,43,756	...	...	
Lucknow-Bareilly	51,21,139	...	...	...	51,21,139	...	...	
Madras and Southern Mahratta Railway (Madras Section)	15,14,85,845	...	...	...	15,14,85,845	...	...	
North-Western	(a)82,03,16,073	24,01,387	81,85,000	1,00,59,000	84,09,61,460	...	...	(a) Includes Rs. 25,705 on account of the Survey outlay on the Khani Hindubagh Railway brought on to construction account during 1915-16.
Nuskhi Dalbandin Extension	...	74,47,743	15,50,000	50,000	90,47,743	...	...	
Oudh and Rohilkhand	27,71,01,449	5,24,889	3,72,000	8,25,000	27,88,23,338	...	...	
Petroleum Operations, Baluchistan	1,19,187	...	...	...	1,19,187	...	...	
Rohilkund and Kumaon Railway (Ganges bridge)	76,416	...	...	...	76,416	...	...	
South Indian	16,86,08,817	*—17,96,672*	5,07,000	21,56,000	16,94,75,145	...	...	
Southern Shan States	1,55,87,886	*—2,36,869*	45,000	1,00,000	1,54,96,017	...	...	
Tinnevelly Quilon (British Section)	43,52,433	19,619	*—4,000*	4,000	43,72,052	...	...	
Ditto (Native State Section)	1,18,25,260	22,107	10,000	5,000	1,18,62,367	...	...	
Tinnevelly Tiruchendur	...	6,30,000	...	...	6,30,000	...	...	
Tirhoot Railway and Extensions	8,13,00,449	*—7,94,106*	*—6,07,000*	89,000	7,99,88,343	...	...	
Warora Colliery	10,46,191	*—4,776*	...	...	10,41,415	...	...	
Total Open Lines	3,90,71,08,189	2,68,27,208	3,59,46,000	4,81,61,000	4,01,80,42,397	...	...	

Appendix III, Table II—*continued.*

Railways.	To end of 1915-1916.	Accounts, 1916-1917.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.	To end of 1918-1919.	Sanctioned Outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines brought forward .	3,90,71,08,189	2,68,27,208	3,59,46,000	4,81,61,000	4,01,80,42,397	...	...	
Lines under construction.								
Aungban Heho	...	...	65,000	...	65,000	...	...	
Bombay Harbour Branch Extension .	37,05,134	35,420	30,000	2,00,000	39,70,554	52,08,199	12,37,645	
Itarsi-Nagpur and branch to Pench Valley Coalfields	2,69,72,403	3,29,497	1,34,000	3,00,000	2,77,35,900	3,37,05,415	59,69,515	
Parvatipore Singapore Road . .	2,22,252	10,189	15,000	15,000	2,62,441	40,31,059	37,68,618	
Dalbandin Mirjawa	...	...	1,08,00,000	70,00,000	1,78,00,000	1,76,00,000*	...	*Provisionally sanctioned by the Secretary of State.
Tank Murtaza	...	...	5,20,000	5,01,000	10,21,000	11,40,000	1,19,000	
Total Lines under construction	3,08,99,789	3,75,106	1,15,64,000	80,16,000	5,08,54,895	...	...	
Total Open Lines, carried over,	3,90,71,08,189	2,68,27,208	3,59,46,000	4,81,61,000	4,01,80,42,397	...	...	

Appendix III, Table II—*continued.*

Railways.	To end of 1915-1916.	Accounts, 1916-1917.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.	To end of 1918-1919.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines, brought forward . .	3,90,71,08,189	2,68,27,208	3,59,46,000	4,81,61,000	4,01,80,42,397			
Total Lines under Construction, brought forward	3,08,99,789	3,75,106	1,15,64,000	80,16,000	5,08,54,895			
Lines in abeyance or Transferred to Companies, etc.								
Bellary-Kistna	1,65,78,416	...	...	...	1,65,78,416			
Bilaspur-Etawah	75,132	...	...	...	75,132			
Nagpur-Chhattisgarh (Depreciation Account).	6,57,038	...	...	...	6,57,038			
Ranaghat-Bhagwangola	3,02,450	...	...	...	3,02,450			
Southern Mahratta (Depreciation on works, etc.)	5,27,071	...	...	...	5,27,071			
Umaria Colliery	1,82,672	...	...	...	1,82,672			
Vizagapatam-Raipur	2,45,035	...	...	...	2,45,035			
Total Lines in abeyance, etc. .	1,85,67,814	...	...	...	1,85,67,814			
Stores	53,469	9,08,822	...	...	9,62,291			
Reserve	...	...	...	20,92,000	20,92,000			
Deduct lapse anticipated . . .	...	...	21,48,000	...	21,48,000			
Anticipated credits for stores issued in 1918-19 to the Military Department .	...	...	...	*—27,00,000*	*—27,00,000*			
GRAND TOTAL .	3,95,66,29,261	2,81,11,136	4,53,62,000	5,55,69,000	4,08,56,71,397			

Appendix III, Table II—*continued.*

Railways.	To end of 1915-1916.	Accounts, 1916-1917.	Revised Estimate, 1917-1918.	Budget Estimate, 1918-1919.	To end of 1918-1919.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Grand Total, brought forward	3,95,66,29,261	2,81,11,136	4,53,62,000	5,55,69,000	4,08,56,71,397			
Distributed as under—								
Capital Expenditure on Railways (not charged to Revenue)—								
State Railways—Construction*	2,89,26,63,812	2,80,85,222	4,53,51,000	5,55,67,000	3,02,16,67,034			
Redemption of Liabilities†	90,75,31,543	...			90,75,31,543			
Famine Relief and Insurance—								
Protective Railways	7,87,28,768	*—7,146*	1,000	*—8,000*	7,87,14,622			
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	5,45,35,712	...			5,45,35,712			
Construction of Railways (charged to Provincial Revenues).	74,89,941	33,060	10,000	10,000	75,43,001			
*Other Expenditure charged against Revenue.	1,56,79,485	...			1,56,79,485			
Total as above	3,95,66,29,261	2,81,11,136	4,53,62,000	5,55,69,000	4,08,56,71,397			

* Includes debentures raised by Companies—

Bombay, Baroda and Central India Railway	1,43,90,464	...	...	...	1,43,90,464
East Indian Railway	27,07,02,709	...	...	...	27,07,02,709
Great Indian Peninsula Railway	4,87,97,364	...	...	...	4,87,97,364
South Indian Railway	5,71,35,901	...	—75,00,000	—37,50,000	4,58,85,901
Capital contributed by the Jaipur Durbar towards outlay on the Nagda Muttra Railway.	60,00,000	10,00,000	10,00,000	5,00,000	85,00,000
Bombay, Baroda and Central India Railway Contribution from Provident Fund and advances by the Home Board.	20,10,000	...	...	...	20,10,000
Total	39,90,36,438	10,00,000	—65,00,000	—32,50,000	39,02,86,438

†

Bombay, Baroda and Central India Railway	18,72,06,696
East Indian Railway	18,05,98,229
Eastern Bengal Railway	3,10,54,458
Great Indian Peninsula Railway	8,88,35,250
Madras and Southern Mahratta Railway	3,21,72,000
North Western Railway	7,36,74,320
Oudh and Rohilkhand Railway	15,50,40,735
South Indian Railway	7,03,88,355
Inland Midland Railway	8,85,61,500
Total	90,75,31,543

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1916-17, and Estimated Expenditure on such works in 1917-18, and 1918-19, and to the end of 1918-19.

	Actual outlay to end of 1915-16.	Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.	Total actual and estimated outlay to end of 1918-19.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
PRODUCTIVE WORKS.	R	R	R	R	R	R	R
North-West Frontier Province.							
Upper Swat River Canal	1,87,85,451	9,26,471	6,49,000	3,33,000	2,06,93,922		
Lower ditto	41,90,429	—18,471	—30,000	10,000	41,51,958		
Kabul River Canal*	11,09,833	24,138	1,04,000	96,000	13,33,971		
Madras.							
Godavari Delta System	1,28,66,948	1,21,326	1,78,000	2,21,000	1,33,87,274	1,35,99,126	2,11,852
Kistna Delta System	1,52,10,571	45,398	1,41,000	83,000	1,54,79,969	1,54,95,897	15,928
Penner River Canals System	56,89,202	3,544	11,000	11,000	57,14,746	57,15,872	1,126
Periyar Project	1,02,81,364	12,775	3,000	7,000	1,03,04,139	1,03,10,979	6,840
Cauvery Delta System	40,78,656	57,594	72,000	25,000	42,33,250	42,96,765	63,515
Kurnool Cuddapah Canal	2,27,67,939	1,00,479	12,000	96,000	2,29,76,418	2,30,55,718	79,300
Nagavalli River Project	16,19,049	16,502	12,000	14,000	16,61,551	17,79,469	1,17,918
Divi Island Project	18,78,872	21,360	18,000	20,000	19,38,232	19,87,607	49,375
Lower Coleroon Anicut*	18,69,597	...	...	...	18,69,597		
Toludur Project	6,03,003	2,24,007	1,44,000	2,34,000	12,05,010	29,60,000	17,54,990
Bombay.							
Desert Canal	26,40,891	...	...	...	26,40,891	26,91,689	50,798
Begari Canal	23,72,143	241	28,000	...	24,00,384	24,62,970	62,586
Eastern Nara Works	67,66,264	13,551	31,000	1,78,000	69,88,815	74,89,986	5,01,171
Jamrao Canal	83,70,122	2,14,233	56,000	—5,000	86,35,355	88,60,148	2,24,793
Dad Canal	25,81,185	15,441	—2,000	—5,000	25,69,626	28,95,932	3,26,306
Mutha Canal	75,84,832	33,903	4,000	...	76,22,735	77,51,579	1,28,844
Bengal.							
Midnapur Canal	83,09,132	...	5,000	2,000	83,16,132		
Hijili Tidal Canal	25,50,805	...	...	...	25,50,805		
United Provinces.							
Ganges Canal, including Mat and Hathras Branches	3,58,75,843	6,01,218	4,86,000	—1,26,000	3,68,37,061		
Lower Ganges Canal	3,88,28,768	—2,813	4,000	39,000	3,88,68,955		
Agra Canal	1,14,57,007	—26,232	6,000	31,000	1,14,67,775	1,15,10,045	42,270
Eastern Jumna Canal	48,74,132	4,143	39,000	52,000	49,69,275		
Dun Canal*	13,49,751	—199	9,000	35,000	13,93,552		
Bijnor Canal*	3,13,190	...	...	32,000	3,45,190		
Gorai Canal	6,11,998	1,12,840	53,000	....	7,77,838		
Punjab.							
Western Jumna Canal	1,68,82,347	1,189	12,000	25,000	1,69,20,536		
Upper Bari Doab Canal	2,11,30,492	—30,154	45,000	1,24,000	2,12,69,338		
Lower ditto	2,06,66,964	7,53,309	6,90,000	4,80,000	2,25,90,273		
Sirhind Canal	2,43,45,111	36,549	35,000	1,00,000	2,45,16,660		
Upper Chenab Canal	3,36,24,503	7,37,134	5,90,000	3,20,000	3,52,71,637	3,53,06,583	34,946
Lower ditto	3,10,32,900	5,46,021	3,50,000	4,48,000	3,23,76,921		
Upper Jhelum Canal	4,15,81,296	14,30,288	10,42,000	2,10,000	4,42,63,584		
Lower ditto	1,55,76,640	—33,194	2,00,000	7,64,000	1,65,07,446	1,83,95,782	18,88,336
Indus Inundation Canals	28,93,359	8,616	—2,000	—5,000	28,94,975		
Burma.							
Mandalay Canal	56,62,039	—77,374	—1,000	...	55,83,665	56,83,698	1,00,033
Shwebo Canal	57,19,062	50,648	24,000	24,000	58,17,710	58,25,161	7,451
Mon Canal	54,72,477	16,961	7,000	5,000	55,01,438	55,09,843	8,405
Ye-u Canal	30,40,438	5,16,574	4,11,000	6,25,000	45,93,012	48,76,590	2,83,578
Twante Canal	66,30,132	—69,507	—15,17,000	39,000	50,82,625		
Bihar.							
Orissa Canals	2,64,51,572	9,943	2,000	8,000	2,64,71,515		
Sone Canal	2,59,44,456	6,927	7,000	...	2,59,58,383		
Central Provinces.							
Wainganga Canal	31,01,867	3,78,616	4,41,000	4,10,000	43,31,483		
Mahanadi Canal	52,75,761	9,19,199	11,65,000	19,12,000	92,71,960	96,09,475	2,37,515
Asola Mendha Tank	16,37,211	25,879	30,000	...	16,93,090	17,30,346	37,256
Other Projects	1,69,65,801	18,523	40,000	1,46,000	1,71,70,324		
Reserve	...	...	...	88,000	88,000		
Total Productive Works	54,90,51,405	77,47,596	56,04,000	71,06,000	56,95,09,001		
Carried over	54,90,51,405	77,47,596	56,04,000	71,06,000	56,95,09,001		

* Transferred to "49" from 1st April 1907.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1916-17, and Estimated Expenditure on such works in 1917-18, and 1918-19, and to the end of 1918-19.—*continued.*

	Actual outlay to end of 1915-16.	Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.	Total actual and estimated outlay to end of 1918-19.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
	R	R	R	R	R	R	R
Brought forward	54,90,51,405	77,47,596	56,04,000	71,06,000	56,95,09,001		
PROTECTIVE WORKS.							
Madras.							
Rushikulya Project	46,72,822	1,225	7,000	18,000	46,99,047	47,00,401	1,354
Mopad Project	14,15,355	2,32,382	1,87,000	1,85,000	20,19,737	21,00,753	81,016
Venkatapuram Tank Project	3,44,156	1,872	20,000	...	3,66,028		
Bombay.							
Godaveri Canal	93,55,562	1,65,480	45,000	20,000	95,86,042		
Chankapur Tank	18,24,088	16,974	16,000	37,000	18,94,062	19,41,592	47,530
Nira Canal (including Shetphal Tank)	60,96,736	...	...	...	60,96,736	64,91,813	3,95,077
Budhihal Tank	4,90,898	138	...	...	4,91,036	13,98,529	9,07,493
Pravara River Project	57,35,112	8,08,545	9,12,000	10,52,000	85,07,657		
Nira Right Bank Canal	92,84,807	14,54,605	17,06,000	19,25,000	1,43,70,412	2,49,71,868	1,06,01,456
United Provinces.							
Betwa Canal (including Dukwa weir)	79,75,798	14,313	13,000	23,000	80,26,111	80,68,455	42,344
Ken Canal (including Gangao dam)	57,76,004	69,784	17,000	11,000	58,73,788	59,27,665	53,877
Dassan Canal	46,95,761	43,351	17,000	6,000	47,62,112	48,85,859	1,23,747
Ghaggar Canal	26,12,502	7,02,814	5,51,000	63,000	39,29,316		
Ghori Nadi Scheme	3,90,293	...	...	...	3,90,293		
Majhgawan Tank	3,47,184	21,013	18,000	6,000	3,92,197		
Barwar Lake and Canal	1,87,438	27,606	65,000	88,000	3,68,044	3,99,039	30,995
Bhatkhara Tank	57,577	—1,106	2,000	1,37,000	1,95,471	6,53,114	4,57,643
Bihar.							
Tribeni Canal	72,80,915	90,902	1,06,000	2,13,000	76,90,817		
Central Provinces.							
Tandula Canal	59,17,706	6,65,320	8,72,000	8,96,000	83,51,026	95,73,587	12,22,561
Tank Projects	90,69,001	3,45,605	4,67,000	5,15,000	1,03,96,606		
Other Projects.	42,66,714	30,713	30,000	1,73,000	45,00,427		
Reserve	...	...	...	4,29,000	4,29,000		
Total, Protective Works	8,77,96,429	46,91,536	50,51,000	57,97,000	10,33,35,965		
Grand Total, Major Works	63,68,47,834	1,24,39,132	1,06,55,000	1,29,03,000	67,28,44,966		
Distributed as under—							
(1) Capital expenditure on Irrigation (not charged to Revenue)	53,07,90,462	76,81,248	55,86,000	70,00,000	55,10,57,710		
(2) Protective Irrigation Works	8,80,71,113	46,91,536	50,51,000	57,97,000	10,36,10,649		
(3) Other outlay from ordinary revenues	1,79,86,259	66,348	18,000	1,06,000	1,81,76,607		
GRAND TOTAL AS ABOVE	63,68,47,834	1,24,39,132	1,06,55,000	1,29,03,000	67,28,44,966		

Appendix III—*continued.*

Commercial and Financial Statistics.

Table IV.—Gross traffic receipts, working expenses, and net traffic receipts of State Railways for five years ending 1916-1917, with Revised Estimates for 1917-1918 and Budget Estimates for 1918-1919.

(Omitting 000, except in accounts.)

State Railways.	Accounts.					Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	1912-1913.	1913-1914.	1914-1915.	1915-1916.	1916-1917.		
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	25,200	25,437	26,106	26,369	26,433	26,572	26,612
Gross Traffic Receipts.	₹	₹	₹	₹	₹	₹	₹
Imperial.							
Assam-Bengal	66,32,724	70,40,639	68,72,053	67,98,442	68,86,463	73,00	78,00
Aden Tramway	...	...	...	14,472	1,53,579	1,51	1,50
Bengal-Nagpur	4,03,42,071	4,10,31,142	4,07,73,773	4,47,61,637	5,09,20,784	5,56,00	5,50,00
Bezwada Extension	3,84,244	2,94,355	4,39,590	4,58,138	4,89,673	5,00	5,00
Bombay, Baroda and Central India System	6,40,21,332	6,58,93,295	6,37,23,843	6,75,24,858	7,52,69,779	7,85,00	8,25,00
Burma	2,07,76,957	2,23,60,428	2,18,00,784	2,00,98,744	2,21,87,251	2,24,00	2,30,00
Burma Railway Extensions	17,32,205	21,84,418	16,42,874	17,57,133	20,69,109	21,50	24,00
Southern Shan States	16,887	33,020	87,016	3,39,165	3,38,109	4,50	6,00
Eastern Bengal	3,51,18,860	3,73,92,387	3,31,07,555	3,53,38,268	3,70,21,485	3,43,00	3,50,00
East Indian	10,25,72,586	10,17,07,428	10,52,21,592	10,60,08,844	11,02,01,205	11,65,00	11,50,00
Great Indian Peninsula including Indian Midland	7,94,91,613	8,55,08,945	7,77,52,916	9,01,17,305	9,67,50,475	10,58,00	10,54,00
Agra-Delhi Chord	28,98,758	28,09,274	32,06,644	28,84,018	30,47,574	32,00	31,50
Bhopal	9,21,470	7,05,991	5,38,468	6,58,689	7,87,907	9,00	8,00
Baran-Kotah	2,28,678	1,77,507	1,49,969	2,21,240	2,43,097	2,50	2,50
Cawnpore-Banda	...	...	...	4,05,258	3,68,286	4,50	4,00
Jodhpur-Hyderabad (British Section)	13,81,799	13,36,295	10,52,695	11,39,522	13,81,452	18,50	18,00
Lucknow-Bareilly	21,63,009	23,56,789	20,52,756	18,76,076	25,27,980	26,00	25,00
North-Western	8,82,12,116	8,69,96,146	8,19,57,786	8,39,36,357	9,66,56,409	11,90,00	11,20,00
Oudh and Rohilkhand	2,43,64,792	2,40,89,233	2,07,97,699	2,26,21,042	2,61,76,455	2,93,50	2,95,00
Hardwar-Dehra	4,45,053	4,85,846	4,66,506	...	...		
Madras and Southern Maharatta Railway	3,63,50,208	3,81,21,165	3,82,75,086	4,20,29,319	4,68,93,840	5,10,70	5,19,00
Mysore State lines	36,75,718	38,25,763	36,55,498	37,66,070	39,86,015	42,00	42,60
Dhone-Kurnool	1,19,518	1,23,739	1,12,693	1,31,028	1,40,000	1,30	1,40
South Indian	2,75,45,053	2,80,67,080	2,71,60,221	2,93,14,815	3,22,67,342	3,51,70	3,71,00
Tinnevelly-Quilon	8,25,023	9,03,891	8,92,082	9,85,938	10,27,354	11,30	13,00
Tirhoot	99,47,877	1,01,20,998	97,03,502	92,58,479	97,89,074	94,00	95,00
Reserve	...	...	...	...	...	...	2,29,00
Total Imperial	55,01,68,551	56,30,64,774	54,14,43,601	57,24,44,857	62,75,80,697	68,23,51	70,48,50
Provincial.							
Jorhat	1,22,589	1,23,805	1,27,545	1,53,781	1,65,389	1,49	1,50
Total India	55,02,91,140	56,31,88,579	54,15,71,146	57,25,98,638	62,77,46,086	68,25,00	70,50,00
England.							
Bengal-Nagpur	...	...	2,910	3,540	4,590	4	5
East Indian	4,313	3,450	3,450	25,080	9,98,085	9,33	3
Eastern Bengal	...	...	...	1,605	74,175	69	...
Oudh and Rohilkhand	...	...	...	750	34,155	32	...
Scinde Punjab and Delhi	...	...	...	13,275	6,11,911	5,70	...
Total England	4,313	3,450	6,360	44,250	17,22,916	16,08	8
Grand Total	55,02,95,453	56,31,92,029	54,15,77,506	57,26,42,888	62,94,69,002	68,41,08	70,50,08

Appendix III, Table IV—*continued.*

State Railways.	Accounts.					Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	1912-1913.	1913-1914.	1914-1915.	1915-1916.	1916-1917.		
Working Expenses.	₹	₹	₹	₹	₹	₹	₹
Imperial.							
Assam-Bengal	46,68,680	47,66,650	51,49,556	52,58,747	52,42,112	55,28	61,08
Aden Tramway	...	...	...	20,093	1,09,400	1,37	2,97
Bengal-Nagpur	1,84,71,946	1,95,72,889	2,01,71,296	2,21,93,629	2,48,54,230	2,61,52	2,58,28
Bezwada Extension	1,99,979	1,75,732	2,45,505	2,58,429	2,81,452	2,35	2,50
Bombay, Baroda and Central India System	3,24,32,956	3,28,58,674	3,28,96,800	3,29,79,155	3,19,13,142	3,48,25	3,58,00
Burma Railways	1,22,12,069	1,17,88,982	1,23,78,879	1,15,45,605	1,15,02,897	1,14,76	1,37,63
Burma Railway Extensions	10,16,196	11,67,591	11,31,626	10,95,206	10,95,202	11,47	11,98
Southern Shan States	5,325	39,066	81,017	3,17,751	2,82,832	3,88	3,80
Eastern Bengal	2,12,06,460	2,05,40,085	2,20,08,629	2,12,05,545	2,00,85,079	2,00,00	2,24,70
East Indian	3,85,64,371	4,14,09,197	4,07,21,501	4,13,84,866	4,07,26,689	4,07,50	4,28,90
Great Indian Peninsula including Indian Midland	4,52,56,737	5,16,28,941	4,89,41,949	5,10,75,174	5,29,32,189	5,64,00	5,93,00
Agra-Delhi Chord	15,69,585	13,88,240	20,04,897	16,44,874	16,37,296	17,00	17,00
Bhopal	5,06,334	4,27,021	3,36,705	3,78,387	4,22,626	4,60	4,60
Baran-Kotah	1,12,156	88,754	74,301	1,10,620	1,21,549	1,10	1,20
Cawnpore-Banda	...	...	...	2,45,122	2,17,595	2,10	2,20
Jodhpur-Hyderabad (British Section)	6,46,339	6,69,177	6,19,736	6,73,618	7,61,906	8,50	8,25
Lucknow-Bareilly	9,54,123	10,23,699	10,23,291	9,75,409	9,94,176	11,00	10,26
North-Western	4,99,31,758	4,95,69,567	5,14,15,494	4,93,13,607	4,83,45,891	5,09,00	5,67,00
Oudh and Rohilkhand	1,10,46,805	1,17,53,245	1,17,36,780	1,11,94,413	1,14,27,227	1,07,00	1,35,00
Hardwar-Dehra	2,22,526	2,42,673	2,33,253	...	...	...	...
Madras and Southern Mahratta Railway	1,99,49,016	2,15,21,802	2,15,04,612	2,23,26,647	2,42,85,663	2,49,00	2,71,00
Mysore State lines	20,26,874	21,70,848	21,06,654	20,28,447	20,86,945	20,25	22,34
Dhone Kurnool	74,690	78,868	71,918	77,593	84,783	75	80
South Indian	1,47,42,026	1,62,63,531	1,57,56,344	1,46,02,933	1,61,70,522	1,50,00	1,60,50
Tinnevelly-Quilon	4,55,240	5,47,590	6,26,330	5,84,868	6,08,598	8,00	6,40
Tirhoot	38,74,566	38,08,861	39,22,982	37,07,574	38,94,803	40,11	37,17
Reserve	...	...	...	...	...	...	1,28,78
Total Imperial	28,01,46,757	29,35,01,683	29,51,60,055	29,51,98,312	29,95,84,804	30,98,79	34,55,34
Provincial.							
Jorhat	84,546	89,499	1,27,109	1,01,834	1,01,641	1,21	1,30
Grand Total	28,02,31,303	29,35,91,182	29,52,87,164	29,53,00,146	29,96,86,445	31,00,00	34,56,64

Appendix III, Table IV—*concluded.*

State Railways.	Accounts. 1912-1913.	1913-1914.	1914-1915.	1915-1916.	1916-1917.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
Net Traffic Receipts.	₹	₹	₹	₹	₹	₹	₹
Imperial.							
Assam-Bengal	19,64,044	22,73,989	17,22,497	15,39,695	16,44,351	17,72	1,692
Aden Tramway	...	...	...	—5,621	44,179	14	—1,47
Bengal-Nagpur	2,18,70,125	2,14,58,253	2,06,02,477	2,25,68,008	2,60,66,554	2,94,48	2,91,72
Bezwada Extension	1,84,265	1,18,623	1,94,085	1,99,709	2,08,221	2,65	2,50
Bombay, Baroda and Central India System	3,15,88,376	3,30,34,621	3,08,27,043	8,45,45,703	4,33,56,637	4,36,75	4,67,00
Burma Railways	85,64,888	1,05,71,446	94,21,905	85,53,140	1,06,84,354	1,09,24	92,37
Burma Railway Extensions	7,16,009	10,16,827	5,11,248	6,61,926	9,73,907	10,03	12,02
Southern Shan States	11,562	—6,046	5,999	21,414	55,277	62	2,20
Eastern Bengal	1,39,12,400	1,68,52,302	1,10,98,926	1,41,32,723	1,69,36,406	1,43,00	1,25,30
East Indian	6,40,08,215	6,02,98,231	6,45,00,091	6,46,23,978	6,94,74,516	7,57,50	7,21,10
Great Indian Peninsula including Indian Midland	3,42,34,876	3,38,80,004	2,88,10,967	3,90,42,131	4,38,18,286	4,94,00	4,61,00
Agra-Delhi Chord	13,29,173	9,21,084	12,01,747	12,39,144	14,10,278	15,00	14,50
Bhopal	4,15,136	2,78,970	2,01,763	2,80,302	3,65,281	4,40	3,40
Baran-Kotah	1,16,522	88,753	75,668	1,10,620	1,21,548	1,40	1,30
Cawnpore-Banda	...	...	...	1,60,136	1,50,691	2,40	1,80
Jodhpur-Hyderabad (British Section)	7,35,460	6,67,118	4,32,959	4,65,904	6,19,546	10,00	9,75
Lucknow-Bareilly	12,08,886	13,33,090	10,29,465	9,00,667	15,33,804	15,00	14,74
North-Western	3,82,80,358	3,74,26,579	3,05,42,292	3,46,22,750	4,83,10,518	6,81,00	5,53,00
Oudh and Rohilkhand	1,33,17,987	1,23,35,988	90,60,919	1,14,26,629	1,47,49,228	1,86,50	1,60,00
Hardwar-Dehra	2,22,527	2,42,673	2,33,253	...	...	...	...
Madras and Southern Mahratta Railway	1,64,01,192	1,65,99,363	1,67,70,474	1,97,02,672	2,26,08,177	2,61,70	2,48,00
Mysore State lines	16,48,844	16,54,915	15,48,844	17,37,623	18,99,070	21,75	20,26
Dhone-Kurnool	44,828	44,871	40,775	53,435	55,217	55	60
South Indian	1,28,03,027	1,18,03,549	1,14,03,877	1,47,11,882	1,60,96,820	2,01,70	2,10,50
Tinnevelly-Quilon	3,69,783	3,55,801	2,65,752	4,01,070	4,18,756	3,30	6,60
Tirhoot	60,73,311	63,12 137	57,80,520	55,50,905	63,94,271	53,89	57,83
Reserve	...	...	...	...	...	...	1,00,22
Total Imperial	27,00,21,794	26,95,63,091	24,62,83,546	27,72,46,545	32,79,95,893	37,24,72	35,93,16
Provincial.							
Jorhat	38,043	34,306	436	51,947	63,748	28	20
Total India	27,00,59,837	26,95,97,397	24,62,83,982	27,72,98,492	32,80,59,641	37,25,00	35,93,36
England.							
Bengal-Nagpur	...	...	2,910	3,540	4,590	4	5
East Indian	4,313	3,450	3,450	25,080	9,98,085	9,33	3
Eastern Bengal	...	...	...	1,605	74,175	69	...
Oudh and Rohilkhand	...	...	...	750	34,155	32	...
Scinde Punjab and Delhi	...	...	...	13,275	6,11,911	5,70	...
Total England	4,313	3,450	6,360	44,250	17,22,916	16,08	8
Grand Total	27,00,64,150	26,96,00,847	24,62,90,342	27,73,42,742	32,97,82,557	37,41,08	35,93,44

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1916-17, with Revised Estimates for 1917-18, and Budget Estimates for 1918-19.

	Actuals.					Revised Estimate, 1917-18	Budget Estimate, 1918-19.
	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.		
	R	R	R	R	R	R	R
Direct Receipts—							
Lower Swat River canal	6,17,160	6,20,190	6,15,443	6,07,823	5,62,908	6,57,000	6,72,000
Kabul River canal	1,75,901	1,86,660	1,82,373	1,64,918	1,83,783	2,01,000	2,00,000
Godavari Delta system	1,35,736	1,24,184	1,70,251	1,89,319	1,47,533	1,47,000	1,58,000
Kistna „ „	92,605	97,152	86,329	1,03,293	1,12,416	1,15,000	1,12,000
Cauvery „ „	6,441	4,589	4,471	4,913	5,026	9,000	5,000
Penner River canals	3,326	4,734	3,367	4,337	2,705	3,000	3,000
Periyar project	12,234	5,604	7,597	14,541	15,654	16,000	15,000
Rushikulya project	1,456	1,586	3,370	2,993	2,521	2,000	3,000
Lower Coleroon anicut system	2,021	2,435	2,819	2,382	1,673	4,000	2,000
Shatiatope anicut „	574	901	660	855	926	1,000	1,000
Desert canal	96,142	86,359	77,146	93,735	1,13,338	56,000	1,04,000
Begari „	10,723	36,288	39,646	36,134	42,825	35,000	42,000
Eastern Nara works	20,608	18,719	18,708	14,904	18,325	31,000	13,000
Jamrao canal	28,919	57,856	22,614	37,416	45,095	32,000	28,000
Mutha canals	3,59,687	3,91,756	3,89,704	3,67,075	4,27,393	3,60,000	3,68,000
Nira canal	5,04,980	5,42,333	5,38,392	5,54,722	4,95,014	4,08,000	5,08,000
Midnapore canal	2,20,782	2,10,152	2,23,591	2,29,092	2,31,928	2,26,000	2,22,000
Hijili Tidal canal	53,136	36,427	30,371	48,987	57,804	70,000	60,000
Ganges canal (including Hathras Branch)	35,55,282	38,86,390	40,16,206	40,08,030	42,05,711	43,58,000	41,32,000
Lower Ganges canal	23,39,516	29,48,277	34,99,197	31,04,648	26,99,712	28,56,000	28,52,000
Agra canal	7,38,129	8,48,157	8,38,004	8,39,299	11,34,629	8,90,000	7,62,000
Eastern Jumna canal	11,93,475	14,87,717	15,25,253	14,14,917	14,97,457	14,49,000	14,43,000
† Dun canal	96,716	1,17,472	1,25,770	1,05,491	1,21,512	1,17,000	95,000
† Bijnor canal	34,147	37,073	43,294	42,006	47,484	51,000	31,000
Betwa canal	1,53,476	2,44,791	1,20,145	3,08,820	2,94,236	2,11,000	2,78,000
Western Jumna canal	2,36,295	33,15,029	30,18,745	27,77,563	29,44,574	29,50,000	29,50,000
Upper Bari Doab canal	43,46,274	43,05,606	39,47,124	41,03,892	45,43,416	44,00,000	43,00,000
Sirhind canal	46,01,159	40,52,176	38,95,706	31,38,533	42,21,539	33,75,000	33,50,000
Upper Chenab canal	1,35,559	5,53,602	6,25,236	9,56,871	23,08,947	21,00,000	22,50,000
Lower Chenab canal	92,75,472	84,24,935	84,96,689	84,4[illegible],507	87,70,559	84,50,000	85,00,000
Lower Jhelum canal	26,83,017	27,59,425	28,03,381	26,50,220	29,74,283	27,50,000	28,00,000
Indus Inundation canals	2,28,192	2,37,866	1,77,191	1,87,116	2,54,809	2,25,000	2,00,000
Mandalay canal	3,13,630	3,14,862	3,08,443	2,99,621	3,41,377	3,35,000	3,35,000
Shwebo canal	6,19,968	6,73,000	6,26,524	6,72,705	6,46,427	6,70,000	7,00,000
Mon canal	70,301	2,56,060	1,79,185	4,17,719	2,78,297	2,70,000	2,70,000
Twante Canal	...	...	...	...	87,154	3,35,000	3,50,000
Orissa canals	5,36,437	5,20,053	5,49,374	5,70,240	5,79,993	5,80,000	5,89,000
Sone canal	17,18,503	19,61,859	17,32,222	20,10,113	18,77,145	18,50,000	18,98,000
Other projects	13,94,170	21,16,210	24,42,312	25,86,102	23,71,767	43,33,000	56,35,000
Total	3,91,12,179	4,14,89,485	4,13,77,353	4,10,69,852	4,51,68,395	4,49,23,000*	4,62,71,000*
Portion of Land Revenue due to Irrigation—							
Lower Swat River canal	50,596	50,652	50,683	50,787	50,822	51,000	51,000
† Kabul River canal	10,803	11,875	10,837	10,565	10,912	11,000	11,000
Godavari Delta System	38,98,412	37,64,330	36,61,044	39,03,086	37,36,767	37,38,000	37,38,000
Kistna „ „	33,84,867	34,90,756	33,63,382	33,55,896	32,55,216	32,56,000	32,56,000
Cauvery „ „	10,13,223	9,74,332	9,28,835	9,52,155	8,86,390	8,86,000	8,86,000
Penner River canals	5,85,754	5,38,303	5,46,350	5,66,512	5,58,189	5,95,000	5,95,000
Periyar project	5,65,553	5,68,296	5,62,302	5,79,521	5,22,792	5,53,000	5,53,000
Carried over	95,09,208	93,98,544	91,23,433	94,18,522	90,20,088	90,90,000	90,90,000

* Excluding Civil Officers' figures as under :—

	Revised. R	Budget. R
United Provinces	1,07,000	1,11,000
Punjab	7,000	6,000
Total	1,14,000	1,17,000

† Transferred to '49' from 1st April 1907.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works for five years ending 1916-17, with Revised Estimates for 1917-18, and Budget Estimates for 1918-19—*continued.*

	Actuals.					Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.		
	R	R	R	R	R	R	R
PORTION OF LAND REVENUE DUE TO IRRIGATION—*contd.*							
Brought forward	95,09,208	93,98,544	91,23,433	94,18,522	90,20,088	90,90,000	90,90,000
Rushikulya Project	1,63,915	1,89,488	1,83,155	1,86,348	1,58,771	1,79,000	1,84,000
† Lower Coleroon anicut system	2,84,214	2,71,658	2,81,723	2,85,977	2,79,655	2,80,000	2,80,000
† Shatiatope anicut "	1,02,813	87,694	1,00,816	1,05,174	1,06,505	1,06,000	1,06,000
Desert canal	2,39,402	2,26,053	2,82,096	2,83,277	3,44,534	3,32,000	3,10,000
Begari "	1,86,310	4,78,371	5,21,982	5,23,830	6,18,472	6,03,000	6,13,000
Eastern Nara Works	6,19,328	5,82,075	6,13,984	6,35,477	6,21,058	6,18,000	6,24,000
Jamrao canal	7,76,269	7,39,999	6,14,236	9,51,780	7,31,782	7,63,000	7,73,000
Mutha canal	*—9,168*	*—11,646*	*—10,293*	*—9,503*	*—11,328*	...	...
Nira canal	*—25,021*	*—26,702*	*—28,662*	*—27,245*	*—24,363*	...	...
Ganges canal	9,52,179	9,62,748	9,85,219	10,07,894	10,30,532	10,30,000	10,30,000
Lower Ganges canal	4,73,573	4,95,868	5,43,619	6,50,478	7,39,647	7,40,000	7,40,000
Eastern Jumna canal	2,53,952	2,53,952	2,53,952	2,53,952	2,53,952	2,54,000	2,54,000
† Dun canal	24,980	24,980	24,980	24,980	24,980	25,000	25,000
† Bijnor canal	14,984	14,984	14,984	14,984	14,984	15,000	15,000
Western Jumna canal	2,22,604	2,21,397	2,09,125	2,30,990	2,08,310	2,25,000	2,20,000
Upper Bari Doab canal	3,38,432	5,91,597	4,52,948	6,16,293	6,68,875	6,50,000	6,00,000
Sirhind Canal	9,722	35,437	18,354	89,551	1,42,791	1,30,000	1,00,000
Upper Chenab canal	...	5,903	2,01,762	61,077	2,54,872	4,00,000	6,00,000
Lower Chenab canal	53,98,437	70,56,188	70,90,846	74,74,480	80,68,027	75,00,000	78,00,000
Lower Jhelum canal	15,37,592	15,47,514	15,62,192	14,72,343	17,64,683	16,00,000	18,00,000
Indus Inundation canals	2,68,036	2,67,940	2,49,221	2,60,227	2,73,500	2,40,000	2,60,000
Mandalay canal	53,341	52,604	52,444	50,120	58,096	61,000	63,000
Shwebo canal	1,17,105	1,26,718	1,19,961	1,29,590	1,21,316	1,34,000	1,45,000
Mon canal	12,156	39,302	27,343	66,065	44,541	45,000	50,000
Other projects	15,49,304	16,32,948	15,28,542	18,59,144	18,92,448	28,63,000	31,39,000
TOTAL	2,30,73,667	2,52,65,614	2,50,17,962	2,66,05,805	2,74,06,628	2,78,88,000	2,88,21,000
TOTAL REVENUE—							
Lower Swat River canal	6,67,756	6,70,842	6,66,126	6,58,610	6,13,730	7,08,000	7,23,000
† Kabul river canal	1,86,704	1,98,535	1,93,210	1,75,483	1,94,695	2,12,000	2,11,000
Godavari Delta System	40,34,148	38,88,514	38,31,295	40,42,405	38,84,300	38,85,000	38,96,000
Kistna " "	34,77,472	35,87,908	34,49,711	34,59,189	33,67,632	33,71,000	33,68,000
Cauvery Delta System	10,19,664	9,78,921	9,33,306	9,57,068	8,90,416	8,95,000	8,91,000
Penner River canals	5,89,080	5,43,037	5,49,717	5,70,849	5,60,894	5,98,000	5,98,000
Periyar Project	5,77,787	5,73,900	5,69,899	5,94,062	5,38,446	5,69,000	5,68,000
Rushikulya Project	1,65,371	1,91,074	1,87,025	1,89,341	1,61,292	1,81,000	1,87,000
†Lower Coleroon anicut system	2,86,235	2,74,093	2,84,542	2,83,359	2,81,328	2,84,000	2,82,000
†Shatiatope anicut system	1,03,387	88,595	1,01,476	1,06,029	1,07,431	1,07,000	1,07,000
Desert canal	3,35,544	3,12,412	3,59,242	3,77,012	4,58,372	3,88,000	4,14,000
Begari "	1,97,033	5,14,659	5,61,628	5,59,964	6,61,297	6,43,000	6,55,000
Eastern Nara works	6,39,936	6,00,794	6,32,692	6,50,381	6,39,333	6,49,000	6,42,000
Jamrao canal	8,05,188	7,97,855	6,36,850	9,89,196	7,76,877	7,95,000	8,01,000
Mutha canal	3,50,519	3,80,110	3,79,411	3,57,572	4,16,065	3,60,000	3,68,000
Nira canal	4,79,959	5,15,631	5,59,730	5,27,477	4,70,651	4,08,000	5,08,000
Midnapur canal	2,20,782	2,10,152	2,23,591	2,29,092	2,31,928	2,20,000	2,22,000
Hijili Tidal canal	53,136	36,427	30,371	48,987	57,804	70,000	60,000
Ganges canal (including Hathras Branch)	45,07,461	48,49,138	50,01,425	50,15,924	52,36,243	53,33,000	51,62,000
Lower Ganges canal	28,13,089	34,44,145	39,82,816	37,55,126	34,39,359	35,96,000	36,22,000
Agra canal	7,38,129	8,48,157	8,38,004	8,39,299	11,34,629	8,90,000	7,62,000
Eastern Jumna canal	14,47,427	17,41,669	17,79,205	16,68,869	17,51,409	17,03,000	16,97,000
† Dun canal	1,21,696	1,42,452	1,50,750	1,30,471	1,46,492	1,42,000	1,20,000
Carried over	2,38,17,503	2,53,89,020	2,59,02,022	2,61,90,765	2,60,20,673	2,60,63,000	2,58,64,000

† Transferred to 49, from 1st April 1907.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1916-17, with Revised Estimates for 1917-18, and Budget Estimates for 1918-19—*continued.*

	Actuals.					Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.		
	R	R	R	R	R	R	R
TOTAL REVENUE—*concld.*							
Brought forward	2,38,17,503	2,53,89,020	2,59,02,022	2,61,90,765	2,60,20,673	2,60,63,000	2,58,64,000
†Bijnor canal	49,131	52,057	58,278	56,990	62,468	66,000	46,000
Betwa canal	1,53,476	2,44,791	1,20,145	3,08,820	2,94,236	2,11,000	2,78,000
Western Jumna canal	29,58,899	35,36,426	32,27,870	30,08,553	31,52,884	31,75,000	31,70,000
Upper Bari Doab canal	46,84,706	48,98,203	44,00,072	47,20,185	52,12,291	50,50,000	49,00,000
Sirhind canal	46,10,881	40,87,613	39,14,060	32,28,084	43,64,330	35,05,000	34,50,000
Upper Chenab canal	1,35,559	5,59,505	8,26,998	10,17,948	25,63,819	25,00,000	28,50,000
Lower Chenab canal	1,46,73,909	1,54,81,123	1,55,87,535	1,59,22,987	1,68,38,586	1,59,50,000	1,63,00,000
Lower Jhelum canal	42,20,609	43,06,939	43,65,573	41,22,563	47,38,966	43,50,000	46,00,000
Indus Inundation canals	4,96,228	5,05,806	4,26,412	4,37,343	5,28,309	4,65,000	4,60,000
Mandalay canal	3,66,971	3,67,466	3,60,887	3,49,741	3,99,473	3,96,000	3,98,000
Shwebo canal	7,37,073	7,99,718	7,46,485	8,02,295	7,67,643	8,04,000	8,45,000
Mon canal	82,457	2,95,362	2,06,528	4,83,784	3,22,838	3,15,000	3,20,000
Twante canal	...	...	...	...	87,154	3,35,000	3,50,000
Orissa canals	5,36,467	5,20,053	5,49,374	5,70,240	5,79,993	5,80,000	5,89,000
Sone canals	17,18,503	19,61,859	17,32,222	20,10,113	18,77,145	18,50,000	18,98,000
Other Projects	29,43,474	37,49,158	39,70,854	44,45,246	47,64,215	71,96,000	37,74,000
TOTAL	6,21,85,846	6,67,55,099	6,63,95,315	6,76,75,657	7,25,75,023	7,28,11,000	7,50,92,000
WORKING EXPENSES—							
Lower Swat River canal	1,61,162	1,57,093	1,42,420	2,00,376	1,31,892	1,27,000	2,00,000
†Kabul River canal	96,918	1,04,830	85,982	1,50,367	1,28,652	61,000	1,16,000
Godavari Delta system	7,13,415	8,11,801	7,99,842	7,13,803	6,42,601	7,57,000	8,71,000
Kistna „ „	6,01,835	7,08,696	8,06,121	6,92,492	5,43,181	6,20,000	5,54,000
Cauvery „ „	1,24,157	1,36,941	1,76,385	1,35,005	1,05,174	1,05,000	95,000
Penner River canals	66,142	76,261	64,794	68,411	74,050	69,000	75,000
Periyar Project	1,33,174	1,60,813	1,14,584	1,27,194	1,15,949	1,13,000	1,18,000
Rushikulaya Project	34,309	65,471	58,261	67,877	63,335	50,000	44,000
†Lower Coleroon anicut system	56,476	59,062	1,41,209	58,257	57,453	57,000	53,000
†Shatiatope anicut system	20,541	32,915	52,811	26,318	28,002	27,000	31,000
Desert canal	1,42,071	1,34,374	1,15,901	90,685	98,239	99,000	1,25,000
Begari canal	2,90,714	2,62,116	1,32,987	1,38,051	1,22,794	1,44,000	2,31,000
Eastern Nara Works	1,79,047	1,82,979	1,61,408	2,02,840	1,85,616	1,90,000	1,69,000
Jamrao canal	3,08,263	3,11,848	3,05,604	3,22,584	3,24,218	4,12,000	3,04,000
Mutha canals	1,08,291	1,08,799	1,13,309	1,39,694	1,56,807	1,75,000	1,47,000
Nira canal	91,881	87,668	1,29,992	1,22,590	1,22,374	1,63,000	1,32,000
Midnapore canal	2,06,943	1,78,785	1,32,836	1,37,172	1,58,613	1,40,000	1,92,000
Hijili Tidal canal	28,774	1,19,004	1,24,864	58,850	27,191	46,000	78,000
Ganges canal	11,10,827	11,91,519	12,14,984	11,92,670	11,94,071	10,19,000	8,85,000
Lower Ganges canal	10,14,594	10,17,056	10,32,134	10,23,669	9,93,404	9,96,000	9,86,000
Agra canal	3,24,778	3,16,625	3,14,546	3,05,337	3,06,046	3,16,000	3,15,000
Eastern Jumna canal	3,62,687	3,59,446	3,71,395	3,64,262	3,43,107	3,50,000	3,40,000
†Dun canal	56,500	49,628	56,821	59,501	81,460	60,000	55,000
†Bijnor canal	28,065	25,788	27,185	24,751	27,322	27,000	19,000
Betwa canal	1,83,789	2,33,008	2,17,639	2,31,528	2,07,676	2,18,000	2,18,000
Western Jumna canal	10,87,704	12,94,029	13,07,508	13,26,245	12,80,062	13,00,000	13,00,000
Upper Bari Doab canal	17,11,363	14,46,549	13,72,589	12,84,560	13,21,218	12,50,000	12,50,000
Sirhind canal	9,92,932	11,39,195	11,21,809	11,58,609	13,05,269	12,00,000	12,00,000
Upper Chenab canal	1,33,163	3,85,400	7,47,390	7,99,400	7,96,944	10,10,000	11,40,000
Lower Chenab canal	24,24,855	21,96,088	21,94,802	31,20,602	25,65,018	23,14,000	23,40,000
Lower Jhelum canal	9,51,611	9,19,689	8,23,556	7,53,848	9,14,193	8,34,000	8,50,000
Carried over	1,37,46,981	1,42,73,476	1,44,62,168	1,50,97,548	1,44,22,431	1,42,49,000	1,44,33,000

† Transferred to 49, from 1st April 1907.

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1916-17, with Revised Estimates for 1917-18, and Budget Estimates for 1918-19—*continued.*

	Actuals.					Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.		
	R	R	R	R	R	R	R
Brought forward	1,37,46,981	1,42,73,476	1,44,62,168	1,50,97,548	1,44,22,431	1,42,49,000	1,44,33,000
Working Expenses—*concld.*							
Indus Inundation canals	3,92,807	3,64,270	3,98,155	4,25,491	3,78,919	3,50,000	3,40,000
Mandalay canal	89,540	61,411	4,49,555	1,38,004	1,54,504	1,04,000	1,00,000
Shwebo canal	2,31,703	2,70,051	2,77,472	2,57,047	2,44,204	1,80,000	3,13,000
Mon canal	1,26,200	1,14,649	2,09,798	1,95,640	1,58,933	1,70,000	1,41,000
Twante canal	...	...	..	...	6,928	1,56,000	72,000
Orissa canal	4,45,382	5,05,785	5,65,147	4,75,648	4,72,120	4,56 000	4,42,000
Sone canal	7,55,611	7,28,937	6,80,929	7,48,349	7,09,790	8,07.000	8,28,000
Other projects	17,38,332	18,98,066	22,97,673	32,86,074	37,20,088	46,39,000	53,53,000
Total	1,75,26,606	1,82,16,645	1,93,40,897	2,06,23,801	2,02,67,917	2,11,11,000*	2,20,22,000*
Net Revenue—							
Lower Swat River canal	5,06,594	5,13,749	5,23,706	4,58,234	4,81,838	5,81,000	5,23,000
Kabul River canal	89,786	93,705	1,07,228	25,116	66,043	1,51,000	95,000
Godavari Delta system	33,20,733	30,76,713	30,31,453	33,28,602	32,41,699	31,28,000	30,25,000
Kistna „ „	28,75,637	28,79,212	26,43,590	27,66,697	28,24,451	27,51,000	28,14,000
Cauvery „ „	8,95,507	8,41,980	7,56,921	8,22,063	7,85,242	7,90,000	7,96,000
Penner River canals system	5,22,938	4,66,776	4,84,923	5,02,438	4,86,244	5,29,000	5,23,000
Periyar Project	4,44,613	4,13,087	4,55,315	4,66,868	4,22,497	4,56,000	4,50,000
Rushikulya Project	1,31,062	1,25,603	1,28,764	1,21,464	97,957	1,31,000	1,43.000
Lower Coleroon anicut system	2,29,759	2,15,031	1,43,333	2,30,102	2,23,875	2,27.000	2,29,000
Shatiatope anicut „	82,846	55,680	48,665	79,711	79,429	80,000	76,000
Desert canal	1,93,473	1,78,038	2,43,341	2,86,327	3,60,133	2,89,000	2,89,000
Begari „	—*93,681*	2,52,543	4,28,641	4,21.913	5,38,503	4,99,000	4,24,000
Eastern Nara Works	4,60,889	4,17,815	4,71,284	4,47,541	4,53,767	4,59,000	4,73,000
Jamrao canal	4,96,925	4,86,007	3,31,246	6,66,612	4,52,659	3,83,000	4,97,000
Mutha canals	2,42,228	2,71,311	2,65,602	2,17,878	2,59,258	1,85,000	2,21,000
Nira canal	3,88,078	4,27,963	4,29,738	4,04,887	3,47.777	2,45.000	3,76,000
Midnapur canal	13,839	31,367	90,755	91,920	73,315	86,000	30,000
Hijili Tidal canal	24,362	—*82,577*	—*94,493*	—*9,863*	30.613	24,000	—18,000
Ganges canal (including Hathras Branch).	33,96,634	36,57,619	37,86,441	38,23,254	40,42,172	43,64,000	42,77,000
Lower Ganges canal	17,98,495	24,27,089	29,50.682	27,31,457	24,45,955	26,00,000	26,36,000
Agra canal	4,13,351	5,31,532	5,23,458	5,33,962	8,28,583	5,74,000	4,47,000
Eastern Jumna canal	10,84,740	13,82,223	14,07,810	13,04,607	14,08,302	13,53,000	13,57,000
Dun canal	65,196	92,824	93,929	70,970	65,032	82.000	65,000
Bijnor canal	21,066	26,269	31,093	32,239	35,146	39.000	27,000
Betwa canal	—*30,313*	11,783	—97,494	77,292	86,560	—7,000	60,000
Western Jumna canal	18,71,195	22,42,397	19,20,362	16,82,308	18,72,822	18,75,000	18,70,000
Upper Bari Doab canal	29,73,343	34,51,654	30,27,483	34,35,625	38,91,073	38,00,000	36,50,000
Sirhind canal	36,17,949	29,48,418	27,92,251	20,69,475	30,59 061	23,05,000	22,50,000
Upper Chenab canal	2,396	1,74,105	79,608	2,18,548	17,66,875	14,90,000	17,10,000
Lower Chenab canal	1,22,49,054	1,32,85,035	1,33,92,733	1,28,02,385	1,42,73,568	1,36,36.000	1,39,60,000
Lower Jhelum canal	32,68,998	33,87,250	35,42,017	33,68,715	38,24,773	35,16.000	37,50,000
Indus Inundation canals	1,03,421	1,41,536	28,257	11,852	1,49,390	1,15,000	1,20,000
Mandalay canal	2,77,431	3,06,055	—88,668	2,11,737	2,44,969	2,92.000	2,98,000
Shwebo canal	5,05,370	5,29,667	4,69,013	5,45,248	5,23,439	6,24,000	5,32,000
Mon canal	—43,743	1,80,713	—3,270	2,88,144	1,63.905	1,45,000	1,79,000
Twante canal	...	..	...	...	80,226	1,79,000	2,78,000
Orissa canals	91,085	14,268	—15,773	94,592	1,07,873	1,24,000	1,47,000
Sone canals	9,62,892	12,32,922	10,51,293	12,61,764	11,67,355	10,43,000	10,70,000
Other projects	12,05,092	18,51,092	16,73,181	11,59,172	10,44,127	25,57,000	34,21,000
Total	4,46,59,240	4,85,38,454	4,70,54,418	4,70,51,856	5,23,07,106	5,17,00,000	5,30,70,000

*Excluding Civil Officers' figures as under:—

	Revised.	Budget.
	Rs.	Rs.
United Provinces	14,000	13,000
Punjab	...	...
	14,000	13,000

Appendix III—*continued.*

Table VI.—Capital Account of Subsidized Railways.

Actuals, 1916-1917.

Railways.	Amount in sterling.	Equivalent at Rs. 15=£1.
Subsidized Railways.	£	Rs.
Receipts.		
Capital received in India.		
Amritsar-Patti-Kasur	*—1,266*	*—19,000*
Baripada-Talbond and Panposh-Raipura Extension	32,000	4,80,000
Bombay, Baroda and Central India Railway Branch Lines	410	6,150
Branch lines under the audit of the Government Examiner, East Indian Railway	188,100	28,21,505
Chaparmukh-Silghat	81,250	12,18,757
Dhond-Baramati	*—1,756*	*—26,330*
Hardwar-Dehra	207	3,100
Kalighat-Falta	98,952	14,84,272
Katakhal Lalabazar	11,334	1,70,000
Khulna-Bagerhat	24,667	3,70,000
Mandra-Bhaun	10,334	1,55,000
Murtajapur-Ellichpur	3,933	59,000
Murtajapur-Yeotmal	467	7,000
Mymensingh-Bhairab Bazar	110,000	16,50,000
Mymensingh-Jamalpur-Jagannathganj	666	10,000
Nawshahr Jaijon Extension	...	...
Pachora-Jamner	29,800	4,47,000
Pulgaon-Arvi	16,667	2,50,000
Sara-Serajganj	...	...
Sialkot-Narowal	24,666	3,70,000
Total Receipts	630,431	94,56,454
Withdrawals in India.		
Assam-Bengal	*—99,226*	*—14,88,384*
Bengal-Nagpur	*—136,503*	*—20,47,539*
Burma	24,273	3,64,090
Lucknow-Bareilly	*—24,510*	*—3,67,655*
Madras and Southern Mahratta	21,760	3,26,399
	—214,206	*—32,13,089*
Amritsar-Patti-Kasur	*—534*	*—8,017*
Baripada-Talbond and Panposh Raipura Extension	32,411	4,86,158
Bombay, Baroda and Central India Railway Branch Lines	818	12,273
Branch lines under the audit of the Government Examiner, East Indian Railway	203,766	30,56,488
Chaparmukh-Silghat	85,791	12,86,863
Dhond-Baramati	*—108*	*—1,617*
Hardwar-Dehra	428	6,415
Kalighat-Falta	79,239	11,88,590
Katakhal Lalabazar	3,807	57,102
Khulna-Bagerhat	22,495	3,37,429
Mandra Bhaun	14,573	2,18,591
Murtajapur-Ellichpur	1,900	28,499
Murtajapur-Yeotmal	*—1,021*	*—15,311*
Mymensingh-Bhairab Bazar	95,755	14,36,327
Mymensingh-Jagannathganj	592	8,886
Nawshahr-Jaijon Extension	...	...
Pachora-Jamner	35,309	5,29,629
Pulgaon-Arvi	20,340	3,05,103
Sara-Serajganj	50,053	7,50,797
Sialkot-Narowal	18,628	2,79,426
	664,242	99,63,631
Total Withdrawals	450,036	67,50,542
Net Withdrawals	—180,395	—27,05,912

Appendix III—*continued.*

Table VI.—Capital Account of Subsidized Railways—*continued.*

Revised, 1917-1918.

Railways.	Amount in sterling. (Omitting 00.)	Equivalent at Rs. 15=£1. (Omitting 00 0
	£	Rs.
Subsidized Railways.		
Receipts.		
Capital received in India.		
Amritsar-Patti-Kasur	...	...
Baripada-Talband and Panposh-Raipura	56,6	8,49
Bombay, Baroda and Central India Railway Branch Line	1,7	25
Dhond-Baramati	1	2
East Indian Railway Branch Lines	42,3	6,35
Hardwar-Dehra	4	6
Kalighat-Falta	21,4	3,21
Khulna-Bagerhat	15,0	2,25
Mandra-Bhaun	...	...
Murtajapur-Ellichpur	2,6	39
Murtajapur-Yeotmal		
Mymensingh-Bhairab Bazar	100,2	15,03
Mymensing-Jamalpur-Jagannathganj		
Nawshahr-Jaijon Extension	16,8	2,50
Pachora-Jamner	34,6	5,19
Pulgaon-Arvi	11,3	1,70
Sara-Serajganj		
Sialkot-Narowal	1,3	20
Variations anticipated	5,9	89
Total Receipts	310,2	46,53
Withdrawals in India.		
Assam-Bengal	—19,5	—2,92
Bengal-Nagpur	—281,1	—42,17
Burma	—44,1	—6,62
Lucknow-Bareilly	3,3	50
Madras and Southern Mahratta	21,4	3,20
	—320,0	—48,01
Amritsar-Patti-Kasur	6	9
Baripada-Talband and Panposh-Raipura	58,6	8,80
Bombay, Baroda and Central India Railway Branch	2,1	31
Dhond-Baramati	5	7
East Indian Railway Branch Lines	49,1	7,36
Hardwar-Dehra	5	7
Kalighat-Falta	41,1	6,17
Khulna-Bagerhat	17,2	2,58
Mandra-Bhaun	7	10
Murtajapur-Ellichpur	7,3	1,10
Murtajapur-Yeotmal		
Mymensingh-Bhairab Bazar	140,0	21,00
Mymensingh-Jagannathganj	5	8
Nawshahr-Jaijon Extension	16,7	2,50
Pachora-Jamner	38,7	5,80
Pulgaon-Arvi	11,6	1,75
Sara-Serajganj	—2	—3
Sialkot-Narowal	3,5	53
Variations anticipated	6,9	1,04
	395,4	59,32
Total Withdrawals	75,4	11,31
Net Withdrawals	—234,8	—35,22

Appendix III—*concluded.*

Table VI.—Capital Account of Subsidized Railways—*concluded.*

Budget Estimate, 1918-1919.

Railways.	Amount in sterling. (Omitting 00.)	Equivalent at Rs. 15=£1. (Omitting 000.)
Subsidized Railways.	£	Rs.
Receipts.		
Capital received in India.		
Amritsar-Patti-Kasur	9	14
Baripada-Talbond and Panposh-Raipura	40,5	6,07
Bombay, Baroda and Central India Railway Branch Lines	1,9	28
Dhond-Baramati	7	11
East Indian Railway Branch Lines	35,7	5,36
Hardwar-Dehra	1,0	15
Kalighat-Falta	1,5	23
Khulna-Bagerhat	8,3	1,25
Mandea-Bhaun	9	14
Murtajapur-Ellichpur	9,7	1,45
Murtajapur-Yeotmal		
Mymensingh-Bhairab Bazar	13,4	2,00
Mymensingh-Jamalpur-Jagannathganj	1,0	15
Nawshahr-Jaijon	1,7	25
Pachora-Jamner	15,2	2,28
Pulgaon-Arvi	2,5	38
Sara-Serajganj	...	...
Sialkot-Narowal	5,8	87
Variations anticipated	—8,2	—1,24
Total Receipts	132,5	19,87
Withdrawals in India.		
Assam-Bengal	—182,5	—27,38
Bengal-Nagpur	—265,3	—39,80
Burma	25,2	3,78
Lucknow-Bareilly	—5	—7
Madras and Southern Mahratta	119,7	17,95
	—303,4	—45,52
Amritsar-Patti-Kasur	1,5	23
Baripada-Talbond and Panposh-Raipura	40,5	6,07
Bombay, Baroda and Central India Railway Branch Lines	1,9	28
Dhond-Baramati	7	11
East Indian Railway Branch Lines	35,7	5,36
Hardwar-Dehra	1,0	15
Kalighat-Falta	1,5	23
Khulna-Bagerhat	8,3	1,25
Mandea-Bhaun	1,3	20
Murtajapur-Ellichpur	9,7	1,45
Murtajapur-Yeotmal		
Mymensingh-Bhairab Bazar	13,4	2,00
Mymensingh-Jagannathganj	1,0	15
Nawshahr-Jaijon	1,7	25
Pachora-Jamner	15,2	2,28
Pulgaon-Arvi	2,5	38
Sara-Serajganj	1,3	20
Sialkot-Narowal	5,8	87
Variations anticipated	—9,3	—1,39
	133,7	20,07
Total Withdrawals	—169,7	—25,45
Net Withdrawals	—302,2	—45,32

PRINTED BY SUPERINTENDENT GOVERNMENT PRINTING, INDIA, DELHI.

Digitized with financial assistance from

Government of Maharashtra

on 01 February, 2020